DOCUMENTS RELATIFS AUX RELATIONS EXTÉRIEURES DU CANADA

DOCUMENTS ON CANADIAN EXTERNAL RELATIONS

CANADA

DOCUMENTS RELATIFS AUX RELATIONS EXTÉRIEURES DU CANADA

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Sous la direction de
Greg Donaghy
Editor

MINISTÈRE DES AFFAIRES ÉTRANGÈRES ET
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INTRODUCTION

INTRODUCTION

En 1956, l'influence internationale de Lester B. Pearson, secrétaire d'État aux Affaires extérieures du Canada, était à son apogée. Ministre des Affaires étrangères depuis 1948, Pearson avait modelé la politique du Canada pendant la première phase – la plus critique – de la guerre froide. Il était un des principaux architectes de l'Organisation du Traité de l'Atlantique Nord (OTAN) et du nouveau Commonwealth multiracial, et avait en outre participé à l'élaboration des normes et procédures qui régissaient l'Organisation des Nations Unies (ONU) dans les années 1950. Vers le milieu de la décennie, ce Canadien, qui jouissait d'une grande popularité, avait tissé un extraordinaire réseau d'amis et de relations s'étendant de l'Europe occidentale et de l'Atlantique Nord aux nouveaux pays indépendants d'Afrique et d'Asie. Toutefois, son affabilité et son idéalisme libéral occultaient souvent son intelligence aiguë des dures réalités de la politique internationale. Bien que parfaitement conscient des limites de la diplomatie, Pearson répugnait à la confrontation et recherchait presque intuitivement un terrain d'entente et un compromis permettant de trouver une issue à un conflit. Il avait le génie de la négociation et, selon le mot d'un journaliste de ses amis, il excellait dans l'art de « jouer les bons offices entre deux parties »[1].

Comme le montre clairement le présent volume, les avis de Pearson sur les événements internationaux étaient recherchés et appréciés. Par exemple, le ministre des Affaires étrangères d'Israël lui communiquait copie de sa correspondance avec le secrétaire d'État américain, John Foster Dulles, désireux de le tenir au courant. (document 1) Par ailleurs, le premier ministre britannique, Anthony Eden, effectua une visite à Ottawa, en février 1956, afin de s'enquérir de son point de vue sur la situation au Moyen-Orient et en Asie du Sud-Est. (document 696) De même, au printemps 1956, comme l'OTAN ne savait comment réagir à la menace soviétique, Dulles se tourna vers lui pour redresser la situation. (document 519) Lorsque les troupes israéliennes envahirent l'Égypte le 29 octobre 1956, il était quasi inéluctable que « Mike » Pearson se retrouve immédiatement au centre de la crise.

La crise non résolue du Moyen-Orient et celle du canal de Suez dominent naturellement le volume 22. Ottawa continuait de manifester un vif intérêt pour les relations israélo-arabes au début de 1956; cependant, son attention croissait et diminuait au gré des urgences. Par conséquent, on ne possède qu'une documentation fragmentaire qui, dans la section préliminaire du premier chapitre, ne donne qu'une vue incomplète de la politique et des positions du Canada. Il s'en dégage des éléments tels que l'intérêt traditionnel que porte le Canada aux mesures d'instauration de la confiance comme l'Organisme des Nations Unies chargé de la surveillance de la trêve (ONUST) (document 5) ou les efforts des Américains visant à favoriser la coopération israélo-arabe pour ce qui est des voies navigables de la région. (document 8) On constate aussi que l'évolution de l'équilibre des pouvoirs au Moyen-Orient était perçue de façon pragmatique et réaliste. John W. Holmes, sous-secrétaire d'État adjoint aux Affaires extérieures, affirmait avec force que l'Occident devrait inviter l'Union soviétique dans la région, en lançant cet avertissement prophétique : « L'alternative à la non-coopération avec les Russes s'avère une faillite et peut conduire éventuellement au désastre. » (document 3) Pearson était de cet avis, mais pas Dulles (document 38), et lorsque éclata plus tard la crise de Suez, le sous-secrétaire d'État, Jules Léger, ne put

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[1] Cité dans Norman Hillmer, « Pearson and the Sense of Paradox », dans la série intitulée *Pearson: The Unlikely Gladiator*, Kingston et Montréal, McGill-Queen's University Press, 1999, p. 5.

INTRODUCTION

In 1956, Lester B. Pearson, Canada's Secretary of State for External Affairs, was at the height of his international influence. He had served continuously as foreign minister from 1948, charting a Canadian course through the Cold War's first, most dangerous, phase. He was a principal architect of the North Atlantic Treaty Organization (NATO), and the new multi-racial Commonwealth, and had helped shape the norms and procedures that defined the United Nations (UN) in the 1950s. By the middle of that decade, this popular Canadian had developed an unrivalled network of friends and contacts that spanned Western Europe and the North Atlantic, and encircled the newly independent countries of Africa and Asia. His affability and liberal idealism, however, often hid his keen grasp of the hard realities of international politics. Though well aware of diplomacy's limits, Pearson shied away from confrontation, almost intuitively responding to conflict by seeking common ground and compromise. Negotiation was his genius, and in the words of one friendly reporter, he excelled in "finding out how one side felt, then playing it back to the other, and vice versa."[1]

As this volume clearly demonstrates, Pearson's advice on international developments was sought and heeded. The Israeli foreign minister passed along copies of his correspondence with the American Secretary of State, John Foster Dulles, determined to keep Pearson in the loop. (Document 1) Similarly, British Prime Minister Anthony Eden visited Ottawa in February 1956 anxious for Pearson's views on the situation in the Middle East and Southeast Asia. (Document 696) And in the spring of 1956, as NATO drifted aimlessly in the face of the receding Soviet threat, Dulles turned to Pearson to stop the rot. (Document 519) It was perhaps inevitable then that when Israeli troops invaded Egypt on October 29, 1956, "Mike" Pearson was immediately at the heart of the crisis.

The unsettled Middle East and the Suez Crisis naturally dominate Volume 22. Ottawa maintained a lively interest in Arab-Israeli relations in early 1956, though its attention waxed and waned with each passing emergency. Consequently, the documentary record is fragmentary and the opening section of the first chapter contains material that offers only incomplete snapshots of Canadian policy and attitudes. Some reflect Canada's traditional interest in confidence-building measures like the UN Truce Supervision Organization (UNTSO) (Document 5) or American efforts to encourage Arab-Israeli cooperation in the development of the region's waterways. (Document 8) Others reveal a practical and realist appreciation of the evolving balance of power in the Middle East. John W. Holmes, an Assistant Under-Secretary of State for External Affairs, argued cogently that the West should invite the Soviet Union into the region, prophetically warning that "the alternative to non-cooperation with the Russians is proving bankrupt and just possibly leading to disaster." (Document 3) Pearson agreed, but Dulles did not (Document 38), and when the Suez Crisis finally erupted, the Under-Secretary, Jules Léger, could not refrain from privately expressing his department's sense of vindication. (Document 87)

Canada's direct interest in the Middle East during the first part of 1956 was largely confined to the export of Canadian arms to this volatile region. As the documentation in the first chapter suggests, Canada worked hard to keep its military exports to Israel

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[1] Cited in Norman Hillmer, "Pearson and the Sense of Paradox," in his edited collection, *Pearson: The Unlikely Gladiator* (Kingston and Montreal: McGill-Queen's University Press, 1999), p. 5.

s'empêcher d'exprimer en privé le sentiment que les événements lui donnaient raison. (document 87)

Durant les premiers mois de l'année 1956, les intérêts directs du Canada au Moyen-Orient se limitaient en grande partie à l'exportation d'armes vers cette région explosive. Comme le montrent les documents réunis au premier chapitre, le Canada s'efforçait de maintenir la balance à peu près égale entre Israël et les États arabes en ce qui a trait aux exportations militaires, ne voulant pas jouer le rôle de chef de file en matière de livraison d'armes à la région. Cette position devint plus inconfortable en avril 1956, lorsque Dulles demanda à Pearson de fournir à Israël des avions de combat à réaction pour contrebalancer l'augmentation de l'aide soviétique à l'Égypte. (document 33) Pearson était favorable à cette proposition, mais ne souhaitait agir que dans le cadre d'une décision collective de l'Occident sur la livraison d'armes défensives à Israël. (documents 47-48) La mise en oeuvre de cette politique avec les alliés occidentaux s'avéra une tâche extrêmement ardue. La nationalisation soudaine du canal de Suez par le président égyptien Gamal Abdel Nasser, en juillet 1956, compliqua encore davantage la situation.

Ce volume ne prétend pas couvrir en détail les négociations internationales qui se déroulaient à Londres, au Caire et à New York par suite de la décision de Nasser. Préoccupé par la volonté manifeste des Britanniques et des Français de rechercher une confrontation avec l'Égypte, Ottawa était heureux d'adopter une attitude légèrement indifférente. Pearson était soulagé que le Canada n'ait pas été invité à la Conférence de Londres, au début d'août (document 82); par la suite, il déclina une invitation de l'Inde à se joindre à New Delhi dans la recherche d'une solution. (documents 101-04) Néanmoins, le Canada, à maintes reprises, fit clairement valoir ses réserves à Whitehall au sujet de l'utilisation de la force pour décider de l'avenir du canal. Le premier ministre Louis Saint-Laurent ne mâchait pas ses mots, adressant à Eden des messages officiels (et officieux) à la limite de la courtoisie diplomatique : « Je suis sûr que vous vous rendez compte que le recours à la force dans la situation actuelle – même en dernier ressort – ne se fera pas sans risques, notamment celui de voir la partie qui a tort saisir les Nations Unies de la question. » (document 78) La France et la Grande-Bretagne demandèrent par la suite au Conseil de sécurité de se prononcer sur leur différend avec Nasser, mais les inquiétudes du Canada persistaient. « Loin de rechercher une solution, la France et, tout particulièrement, le Royaume-Uni semblent vouloir humilier Nasser », note R.A. MacKay, représentant permanent du Canada aux Nations Unies. (document 99)

MacKay avait raison. Peu après l'attaque lancée par Israël contre l'Égypte, la Grande-Bretagne et la France exigèrent un cessez-le-feu. Les combats se poursuivant, les deux pays commencèrent à bombarder les aérodromes égyptiens, manifestement pour protéger le canal de Suez. Tout comme Dulles, qui s'était adressé à Pearson pour l'aider à déchiffrer les intentions britanniques (document 106), les représentants du Canada n'avaient « aucune idée » des plans de Londres ni « le moindre soupçon qu'il se préparait quelque chose d'extraordinaire ». (document 107) En raison de l'effet de surprise et de l'accélération des événements ultérieurs, les documents correspondant aux premiers jours de la crise sont relativement peu nombreux. « L'étonnement et la consternation » d'Ottawa devant le comportement de la Grande-Bretagne (document 108) sont bien documentés dans les dossiers du Cabinet reproduits ici (documents 112 et 117) et dans les échanges irrités entre Eden et Saint-Laurent (documents 110 et

and the Arab countries in approximate balance, unwilling to assume a leading role as a regional arms supplier. This became much harder in April 1956, when Dulles asked Pearson to supply Israel with jet fighters in order to offset increased Soviet aid to Egypt. (Document 33) Pearson was sympathetic, but unwilling to act except as part of a collective Western decision to provide Israel with defensive weapons. (Documents 47-48) Working out this policy with the Western allies proved exceptionally complicated, and became even more so when Egyptian President Gamal Abdel Nasser abruptly nationalized the Suez Canal in July 1956.

This volume does not attempt to cover the detailed international negotiations in London, Cairo and New York that followed Nasser's action. Distressed by the apparent Anglo-French determination to seek a confrontation with Egypt, Ottawa was happy to adopt a slightly detached posture. Pearson was relieved that Canada was not invited to attend the London Conference in early August (Document 82), and later declined an Indian invitation to join New Delhi in seeking a solution. (Documents 101-04) Yet Canadian reservations about the use of force to decide the Canal's future were clearly and repeatedly expressed in Whitehall. Prime Minister Louis St. Laurent's formal (and informal) messages to Eden were blunt, verging on the undiplomatic: "I am sure that you appreciate that the use of force in present circumstances – even as a last resort – will be surrounded by risks and difficulties, one of which might be the submission of the matter to the United Nations by the wrong party." (Document 78) Though France and Britain eventually asked the Security Council to rule on their dispute with Nasser, Canadian misgivings persisted. "Far from seeking a solution," observed R.A. MacKay, Canada's Permanent Representative to the United Nations, "France and the U.K., but particularly the latter, seem bent on humiliating Nasser." (Document 99)

MacKay was right. Shortly after the Israeli assault on Egypt, Britain and France demanded a cease-fire; when the fighting continued, they started to bomb Egyptian airfields, ostensibly to protect the Suez Canal. Like Dulles, who turned to Pearson for help deciphering British intentions (Document 106), Canadian officials were "given no inkling" of London's plans and "not the slightest intimation that anything extraordinary was planned." (Document 107) Surprise and the rapid pace of subsequent developments explain why documentation on the first few days of the crisis is relatively sparse. Ottawa's "bewilderment and dismay" at Britain's behaviour (Document 108) are fully documented in the Cabinet records reprinted here (Documents 112 and 117) and in St. Laurent's angry exchanges with Eden. (Documents 110 and 113) Pearson's diplomacy in New York, where he arrived on November 1 to attend the special session of the UN General Assembly on the crisis, is often less completely documented. Reports were sometimes intended to supplement newspaper accounts (Document 119) or were sent several days after the events described. (Document 130) In one instance, a record of several important discussions on November 2-6 between Pearson and Dag Hammarskjold, the UN Secretary General, was not actually prepared until early December. (Document 192)

Despite these peculiarities in the documentary record, careful readers will be able to follow Pearson's efforts at the United Nations, where the dramatic debate on an American motion calling for a cease-fire and an immediate withdrawal opened in the afternoon of November 1. Before leaving Ottawa that morning, Pearson had asked Canada's experienced High Commissioner in London, Norman Robertson, to seek

113). Les efforts diplomatiques déployés par Pearson à New York, où il arriva le 1er novembre en vue de participer à la session spéciale de l'Assemblée générale des Nations Unies sur la crise, sont souvent moins bien documentés. Les rapports étaient parfois destinés à être publiés dans la presse (document 119) ou étaient transmis plusieurs jours après les événements décrits (document 130). À une occasion, un compte rendu de plusieurs importantes discussions tenues du 2 au 6 novembre entre Pearson et Dag Hammarskjold, secrétaire général des Nations Unies, n'a été préparé qu'au début décembre (document 192).

En dépit de ces singularités de la documentation, le lecteur attentif pourra suivre les efforts de Pearson aux Nations Unies, qui furent le théâtre d'un débat dramatique, dans l'après-midi du 1er novembre, sur une motion américaine réclamant un cessez-le-feu et un retrait immédiat. Avant de quitter Ottawa ce matin-là, Pearson avait demandé à Norman Robertson, haut-commissaire du Canada à Londres et diplomate chevronné, de s'enquérir des réactions de la Grande-Bretagne à son plan qui demandait à l'Assemblée générale de mettre sur pied une « force militaire d'interposition appropriée entre les Égyptiens et les Israéliens ». À son arrivée à New York, Pearson apprit que la Grande-Bretagne était prête à remettre le canal de Suez « à une force de l'ONU suffisamment importante pour empêcher la reprise des hostilités entre l'Égypte et Israël ». (documents 119 et 118) Cette mince concession était suffisante, et lors du débat sur la motion américaine, Pearson s'assit tranquillement jusqu'au petit matin. Prenant la parole à trois heures pour expliquer l'abstention du Canada, il fit remarquer que la résolution appelant à un retour au *statu quo* n'était pas suffisante; ce qu'il fallait, dit-il, était une « force des Nations Unies suffisamment importante pour maintenir le calme aux frontières en attendant l'élaboration d'un règlement politique ». (documents 119 et 120)

Après avoir déjeuné avec Hammarskjold, qui avait des doutes quant à la possibilité de mettre en application l'idée de Pearson, le secrétaire d'État aux Affaires extérieures retourna à Ottawa pour prendre part, le samedi matin, à une réunion du Cabinet au cours de laquelle les ministres appuyèrent sa proposition d'une force internationale de maintien de la paix. À ce moment-là, il était évident que l'Union soviétique avait décidé de réoccuper la Hongrie pendant que le monde avait les yeux tournés ailleurs. Le comportement des Britanniques et des Français était « d'autant plus déplorable qu'il empêchait le monde libre d'adopter une position unifiée, qui aurait probablement recueilli un soutien plus important de la part des Arabes et des Asiatiques, face à cette agression manifeste ». (document 126)

À la suite de la réunion du Cabinet, Léger demanda à l'ambassadeur du Canada aux États-Unis, Arnold Heeney, de sonder le Département d'État. Ottawa et Washington s'entendirent bientôt sur un projet de résolution des Nations Unies prévoyant la nomination d'un comité de cinq membres chargé de « planifier l'envoi au Moyen-Orient d'une force internationale d'urgence des Nations Unies, qui serait recrutée au sein des forces armées nationales disponibles ». (document 127)

Pearson retourna à New York tard dans l'après-midi du 3 novembre, muni du projet de résolution. Il apprit alors que la réaction des Britanniques au projet avait été encourageante. En effet, le secrétaire d'État aux Affaires étrangères, Selwyn Lloyd, avait même donné l'impression à Robertson qu'ils « accueillaient favorablement la résolution et [...] pourraient même voter en sa faveur ». (document 128) Pearson poursuivit ses démarches, espérant que la résolution pouvait empêcher un débarquement des

Britain's reaction to his plan to call upon the General Assembly to create an "adequate UN military force to separate the Egyptians from the Israelis." On his arrival in New York, Pearson learned that Britain was ready to "hand over" the Suez Canal "to a UN force strong enough to prevent the renewed outbreak of hostilities between Egypt and Israel." (Documents 119 and 118). This slight concession was enough, and during the debate on the American motion, Pearson sat quietly until the small hours of the morning. Rising at 3 a.m. to explain Canada's abstention, he argued that a resolution calling for a return to the *status quo* was not enough; what was needed was a "UN force large enough to keep these borders at peace while a political settlement is being worked out." (Documents 119 and 120)

After lunch with Hammarskjold, who was doubtful that Pearson's idea would work, the Secretary of State for External Affairs returned to Ottawa for a Saturday morning Cabinet meeting, where ministers endorsed his proposal for an international peacekeeping force. By now it was clear that the Soviet Union had decided to reoccupy Hungary while the world's attention was diverted, making British and French behaviour "all the more deplorable in that it prevented the free world from taking a united stand, which would probably have had much Asian-Arab support, against this naked aggression." (Document 126)

Following the Cabinet discussion, Léger asked Canada's Ambassador to the United States, Arnold Heeney, to sound out the State Department. Ottawa and Washington soon agreed on a draft UN resolution appointing a five-member committee to "plan for the setting up in the Middle East of an emergency international United Nations force recruited from national military forces immediately available." (Document 127)

Pearson returned to New York late in the afternoon of November 3, bringing the draft with him. There he learned that British reaction to the proposed resolution had been encouraging. Indeed, the Foreign Secretary, Selwyn Lloyd, had even given Robertson the impression "that the resolution was welcome and that ... they might even be able to vote for it." (Document 128) Hopeful that the resolution might stop French and British troops from landing in Egypt, Pearson pressed ahead. After lobbying other UN members for support, he met with the U.S. Permanent Representative to the United Nations, Henry Cabot Lodge, and decided to base his resolution on a simpler U.S. draft that asked the Secretary-General alone to develop plans for a UN emergency force. Another late-night session followed before the UN General Assembly adopted the Canadian resolution early in the morning of November 4. (Document 130) Supported by an informal advisory committee, whose work organizing and deploying the United Nations Emergency Force (UNEF) is documented throughout this chapter, the Secretary-General submitted a plan for a force headed by a Canadian, Major General E.L.M. (Tommy) Burns, to the General Assembly on November 6. It was immediately approved.

Much of the subsequent material in chapter one on the creation of the UNEF deals with the problems created by the slow pace of the French, British and Israeli withdrawal from Egypt, the deployment of the force, and the broader international implications of the Suez Crisis. From the middle of November on, for instance, Pearson was deeply involved in resolving the impasse that resulted when Nasser refused to accept Canadian ground troops as part of the UN force. The Egyptian decision was a personal blow, as the account of Pearson's interview with the Egyptian representative at the UN

troupes britanniques et françaises en Égypte. Après des négociations menées dans les coulisses pour s'assurer le soutien d'autres membres de l'ONU, il rencontra le représentant permanent des États-Unis aux Nations Unies, Henry Cabot Lodge, et décida d'aligner le libellé de sa résolution sur celui d'un projet américain plus simple, demandant uniquement au secrétaire général de préparer des plans pour la création d'une force d'urgence des Nations Unies. L'Assemblée générale des Nations Unies dut tenir une autre séance de nuit avant l'adoption de la résolution canadienne, tôt dans la matinée du 4 novembre. (document 130) Avec l'aide d'un comité consultatif informel, dont les démarches pour assurer la mise en place et le déploiement de la Force d'urgence des Nations Unies (FUNU) sont décrits dans ce chapitre, le secrétaire général présenta à l'Assemblée générale, le 6 novembre, un plan pour la création d'une force, dirigée par un Canadien, le major-général E.L.M. (Tommy) Burns. Ce plan fut immédiatement approuvé.

Les documents du chapitre premier sur la création de la FUNU concernent, en grande partie, les problèmes soulevés par la lenteur du retrait des troupes françaises, britanniques et israéliennes d'Égypte, le déploiement de la Force, et les répercussions internationales de la crise de Suez. Dès la mi-novembre, par exemple, Pearson déployait une intense activité pour mettre un terme à l'impasse créée par le refus de Nasser d'accepter des troupes canadiennes au sol au sein de la force des Nations Unies. Comme le montre clairement le compte rendu de la rencontre entre Pearson et le représentant de l'Égypte aux Nations Unies, la décision égyptienne constituait un échec personnel. (document 152) Par la suite interviendra un compromis permettant la participation du Canada au sein des unités logistiques de la force internationale; toutefois, Pearson était furieux qu'on ait permis à Nasser de dicter la composition de cette force, décision qui, comme il le craignait justement, a eu des conséquences durables sur les opérations de maintien de la paix des Nations Unies dans la région. (document 168) La section comprend également des évaluations canadiennes franches des répercussions de la crise sur l'ONU et l'Alliance occidentale. La crise s'étant apaisée à la fin de novembre et au début de décembre, Pearson et ses principaux conseillers étaient particulièrement préoccupés par la propension de Washington à se rallier aux positions africaines et asiatiques à New York, aux dépens de la Grande-Bretagne, ce qui était à leurs yeux une preuve que « la diplomatie américaine pratiquait un système de deux poids deux mesures ». (document 184)

Le chapitre sur la crise de Suez situe la diplomatie canadienne en 1957, au moment de la reprise du débat international sur le Moyen-Orient, à la 11^{e} session de l'Assemblée générale. Un sentiment aigu de crise persista durant l'hiver et le printemps 1957, obligeant Pearson à effectuer de fréquents voyages à New York où l'Assemblée générale tentait de résoudre la question du refus d'Israël de se retirer du Sinaï et de la bande de Gaza sans avoir obtenu des garanties de sécurité adéquates. Le ministre était favorable aux demandes israéliennes et s'opposait énergiquement aux efforts visant à amener l'Assemblée générale à imposer des sanctions à Israël. Il cherchait de préférence à apaiser les craintes d'Israël par un élargissement du rôle de la FUNU dans la région. Pearson a eu une influence limitée sur ce débat et, en fin de compte, Israël s'est vu obligé, par les Américains, de procéder au retrait, tandis que le rôle élargi de la FUNU restait imparfaitement défini.

Les sections consacrées à la crise de Suez mettent l'accent à juste titre sur les efforts diplomatiques concernant la création et le déploiement de la FUNU; toutefois,

makes clear. (Document 152) Though a compromise was eventually reached permitting Canadian logistic units to participate in the force, Pearson was angry that Nasser had been allowed to dictate the composition of the force, a decision he justly feared had lasting implications for UN peacekeeping operations in the region. (Document 168) The section also includes frank Canadian assessments of the impact of the crisis on the UN and the Western alliance. With the easing of the crisis in late November and early December, Pearson and his senior advisors became especially disturbed at Washington's continued willingness to pander to African and Asian opinion in New York at Britain's expense, evidence of what they called "the U.S. double standard of diplomatic conduct." (Document 184)

The chapter on the Suez Crisis traces Canadian diplomacy into 1957, when the international debate on the Middle East was renewed at the 11th General Assembly. An acute sense of crisis persisted during the winter and spring, prompting Pearson to travel frequently to New York, where the General Assembly wrestled with Israel's refusal to withdraw from the Sinai and the Gaza Strip without adequate guarantees for its security. The Minister sympathized with Tel Aviv's demands, and actively resisted efforts to have the General Assembly apply sanctions to Israel. Instead, Pearson sought to ease Israel's fears by expanding the UNEF's role in the region, but his influence was limited in this debate. In the end, American might forced Israel to retreat, leaving an expanded UNEF role still imperfectly defined.

The sections on the Suez Crisis justifiably focus on the diplomatic effort to create and deploy the UNEF, but many of the documents scattered throughout the opening chapter pursue secondary themes of considerable importance. Among them are Canada's views on a Middle East peace settlement, the UN relief effort in the region (Documents 142, 150 and 151), instructions for the commander of the Canadian contingent (Documents 156, 204 and 293), and the legal status of the UNEF. (Documents 186 and 207) In addition, the chapter documents Canada's contribution to clearing the Suez Canal (Documents 211, 213 and 228), and its attitude toward Jewish refugees in Egypt. (Document 205) The chapter concludes with a brief selection of documents on financing the UNEF's operations, an issue that would vex the UN for almost a decade.

The Middle East and the Suez Crisis figure prominently in all four chapters in this volume. Chapter three on the North Atlantic Treaty Organization (NATO), for instance, contains considerable material on the aftermath of the Suez Crisis, including records on the December 1956 ministerial meeting of the North Atlantic Council. The gathering was supposed to repair the breach in the Alliance, but Pearson was doubtful: "A distrust has arisen ... which is going to persist for a long time. The Council may have – though I am not sure of this – lessened that personal mutual mistrust. It certainly has not removed it." (Document 582)

The Suez Crisis underlined Britain's decline as a Great Power, with clear consequences for the Alliance. This decline, however, had been a long time coming and its effects had already been felt earlier in the year. In June 1956, Pearson had been confronted with British plans to withdraw some forces from Europe. His account of his effort to deflect Eden's government from its course emphasizes the startling ease with which he glided through the top levels of British society. (Document 544) Pearson's success eventually resulted in a review of NATO's military strategy (Documents 544 to 571), part of the "great debate" on the Alliance's future that was kicked off in the spring of 1956, when the North Atlantic Council appointed three ministers to study

bon nombre de documents réunis dans le premier chapitre portent sur des thèmes secondaires, de grand intérêt. Parmi les principaux sujets abordés figurent les positions du Canada sur un règlement pacifique au Moyen-Orient, les efforts d'aide de l'ONU à la région (documents 142, 150 et 151), les instructions au commandant du contingent canadien (documents 156, 204 et 293), et le statut juridique de la FUNU (documents 186 et 207). En outre, le chapitre présente des documents portant sur la participation du Canada au nettoyage du canal de Suez (documents 211, 213 et 228), et son attitude à l'égard des réfugiés juifs en Égypte. (document 205) Le chapitre s'achève sur un choix de documents se rapportant au financement des opérations de la FUNU, question qui allait ennuyer les Nations Unies pendant près d'une décennie.

Le Moyen-Orient et la crise de Suez occupent une place de choix dans les quatre chapitres du présent volume. Par exemple, le chapitre III, consacré à l'Organisation du Traité de l'Atlantique Nord (OTAN), renferme une abondante documentation sur les lendemains de la crise de Suez, notamment la réunion ministérielle de décembre 1956 du Conseil de l'Atlantique Nord. La réunion était censée colmater les brèches apparues au sein de l'Alliance, mais Pearson avait des doutes à cet égard : « Une méfiance s'est installée [...] qui va subsister longtemps. Le Conseil a peut-être atténué cette méfiance réciproque – ce dont je ne suis pas sûr. Il ne l'a certainement pas dissipée. » (document 582)

La crise de Suez a mis en relief le déclin de la Grande-Bretagne comme grande puissance, avec ses conséquences inévitables pour l'Alliance. Toutefois, ce déclin était prévisible et ses effets avaient déjà été ressentis plus tôt dans l'année. En juin 1956, Pearson avait été informé des plans de la Grande-Bretagne de retirer certaines de ses forces d'Europe. Le récit des efforts qu'il déploya avec succès pour dissuader Londres de mettre son projet à exécution souligne l'aisance étonnante avec laquelle Pearson approchait les plus hauts dirigeants de la société britannique. (document 544) Le succès de Pearson a contribué, en fin de compte, à une révision de la stratégie militaire de l'OTAN (documents 544 à 571), dans le cadre du « grand débat » sur l'avenir de l'Alliance, lancé au printemps 1956 avec la désignation par le Conseil de l'Atlantique Nord de trois ministres chargés de préparer un rapport sur les modalités d'un renforcement de la coopération non militaire au sein de l'Alliance. (documents 520 à 543) Cependant, au lendemain de Suez, l'influence canadienne à Londres s'est amoindrie, et le Canada a été tenu à l'écart de la décision de la Grande-Bretagne de diminuer le nombre de ses soldats stationnés en Europe, en février 1957. (documents 585 à 600)

Le chapitre III aborde quelques questions courantes liées à la participation du Canada à l'Alliance de l'Atlantique Nord, comme la contribution importante du Canada au titre de l'aide mutuelle. Toutefois, contrairement aux volumes précédents, il met l'accent davantage sur la politique de désengagement, étant donné qu'avec le redressement de l'Europe de l'après-guerre et l'atténuation de la menace militaire soviétique, la nécessité de l'aide militaire se faisait moins sentir. Au printemps 1956, le Cabinet a annulé le principal volet du compte d'aide mutuelle du Canada, le vaste plan d'entraînement aérien de l'Aviation royale du Canada (ARC). (documents 443 à 450) Parallèlement, comme l'indique la documentation sur la vente d'avions de combat à la Belgique et à l'Allemagne, Ottawa était prêt à utiliser son budget d'aide militaire pour subventionner des exportations de l'industrie de la défense canadienne.

and report on how to strengthen non-military cooperation within the Alliance. (Documents 520 to 543) In the wake of Suez, however, Canada enjoyed less influence in London, and watched from the sidelines as Britain unilaterally reduced the number of its troops stationed in Europe in February 1957. (Documents 585 to 600)

Chapter three explores some of the more routine matters associated with Canada's membership in the North Atlantic Alliance, such as Ottawa's important mutual aid contributions. In contrast to earlier volumes in this series, the focus is increasingly on the politics of disengagement as Europe's postwar recovery and the declining Soviet threat made military assistance less necessary. In the spring of 1956, Cabinet cancelled the largest single item on Canada's mutual aid account, the Royal Canadian Air Force's extensive air training plan. (Documents 443 to 450) At the same time, as the sections on the export of Canadian-built fighters to Belgium and Germany demonstrate, Ottawa remained ready to use its military aid budget to subsidize exports by Canada's defence industry.

Chapter four, which covers relations with the Commonwealth, also devotes substantial space to Middle Eastern questions. The region was discussed in some detail during Eden's visit to Ottawa in February 1956 (Document 696) and at the Commonwealth prime ministers' meeting the following June. (Document 646) In this final moment of international calm before the proverbial storm, Pearson, who accompanied St. Laurent to London, was wryly amused to find "most of the visitors preoccupied with Wimbledon, Lords and the Canada Cup." (Document 643)

The Suez Crisis and its repercussions cast a long shadow and the chapter includes extensive documentation on Britain's request for a waiver on interest payments on the large loan extended to London in 1946. This section traces Canada's specific efforts to renegotiate the loan, as well as Ottawa's attitude to the general problem of Britain's financial collapse and its search for relief from the International Monetary Fund. (Document 704) The chapter also reprints material on Nehru's December 1956 visit to Ottawa, and Pearson's unsuccessful efforts to enlist the wily Indian prime minister into the Middle East peace process. (Document 692) Finally, the Commonwealth chapter includes a lengthy report on St. Laurent's meeting in Bermuda with Eden's successor, Prime Minister Harold Macmillan, in March 1957. The meetings allowed the Canadian delegation, which included Pearson, C.D. Howe, the Minister of Trade and Commerce, and Robert Bryce, the Secretary to the Cabinet, their first real look at the new British prime minister, and gave the two countries the chance to exchange views on a number of issues, including the Middle East. (Document 735)

Canadian policy-makers were well aware that Arab-Israeli tensions merely mirrored the strains associated with decolonization in general. Tensions between the colonial and anti-colonial powers, argued Deputy Under-Secretary R.M. Macdonnell in May 1956 "may well be the most vital issue in international politics today." (Document 41) For this reason, colonialism and its legacy are also principal themes in the Commonwealth chapter. In addition to the usual documentation on Canada's contribution to the Colombo Plan, Ottawa's main point of contact with the newly independent nations of Asia and Africa, there are several broad assessments of Canadian aid policy. The first, by Canada's High Commissioner to India, Escott Reid, neatly summarizes the Canadian contribution to Indian development since 1950. (Document 665) It is balanced by a more impassioned defence of Canadian aid to Pakistan, whose severely impoverished colonial inheritance made bilateral cooperation extremely difficult.

Le chapitre IV, consacré aux relations avec le Commonwealth, fait aussi une large place aux questions du Moyen-Orient. La région a été l'objet de discussions approfondies à l'occasion de la visite d'Eden à Ottawa en février 1956 (document 696) et de la réunion des premiers ministres du Commonwealth au mois de juin suivant. (document 646) Dans ce dernier moment de calme sur la scène internationale, qui annonce traditionnellement la tempête, Pearson, qui accompagnait Saint-Laurent à Londres, constata avec une ironie désabusée que « la plupart des visiteurs se préoccupaient de Wimbledon, des Lords et de la Coupe Canada ». (document 643)

La crise de Suez et ses répercussions ont jeté une ombre sur le Commonwealth, et ce chapitre renferme de nombreux documents relatifs à une demande britannique d'exemption d'intérêts sur un important emprunt accordé à Londres en 1946. Cette documentation souligne les efforts précis du Canada pour renégocier l'emprunt, ainsi que l'attitude d'Ottawa vis-à-vis du problème général de l'effondrement financier de la Grande-Bretagne et de ses démarches pour obtenir une aide du Fonds monétaire international. (document 704) Le chapitre reproduit des documents portant sur la visite effectuée par Nehru en décembre 1956 à Ottawa, et sur les efforts infructueux de Pearson pour amener l'astucieux premier ministre indien à s'engager dans le processus de paix au Moyen-Orient. (document 692) Enfin, il renferme un long rapport sur la rencontre aux Bermudes, en mars 1957, entre Saint-Laurent et le premier ministre Harold Macmillan, successeur d'Eden. Ces réunions ont été pour la délégation canadienne, dont faisaient partie Pearson, C.D. Howe, ministre du Commerce, et Robert Bryce, secrétaire du Cabinet, la première occasion réelle de prendre contact avec le nouveau premier ministre britannique; elles donnèrent lieu à un échange de vues entre les deux pays sur un large éventail de sujets, dont le Moyen-Orient. (document 735)

Les dirigeants canadiens étaient parfaitement conscients que les tensions arabo-israéliennes ne faisaient que refléter les problèmes liés à la décolonisation en général. Les tensions entre les puissances coloniales et anticoloniales, déclara en mai 1956 le sous-secrétaire d'État adjoint R.M. Macdonnell, « constituent peut-être la question la plus cruciale de la politique internationale aujourd'hui ». (document 41) Aussi, le colonialisme et son héritage sont-ils les principaux thèmes du chapitre sur le Commonwealth. Outre la documentation habituelle sur la contribution du Canada au Plan de Colombo, principal point de contact entre Ottawa et les nouvelles nations indépendantes d'Asie et d'Afrique, on y trouve plusieurs évaluations poussées de la politique d'aide du Canada. La première, réalisée par le haut-commissaire du Canada en Inde, Escott Reid, résume clairement la contribution du Canada au développement de l'Inde depuis 1950. (document 665) Elle fait pendant à une défense plus passionnée de l'aide canadienne au Pakistan, dont l'héritage colonial, marqué par une grande pauvreté, rendait extrêmement difficile la coopération bilatérale. (document 685) Enfin, le chapitre présente une revue interministérielle complète de l'aide canadienne, qui conclut, sur un ton suffisant, que « l'aide fournie a été orientée vers le bon type de projets et s'est révélée appropriée tant par son contenu que par sa forme ». (document 658)

Avec l'accession du Ghana à l'indépendance en 1956, le ministère des Affaires extérieures a été plus directement confronté aux défis politiques et économiques de la décolonisation. Une note de service portant sur le réveil de l'Afrique forçait les dirigeants à examiner « quelle place accorder à l'Afrique dans [leur] liste de priorités ». (document 737) Le Canada s'intéressait encore de plus près à la nouvelle fédération

(Document 685) In addition, the chapter documents a full-scale inter-departmental review of Canadian aid, which complacently concluded that "the assistance which has been provided has been directed towards the right type of project and that its form and content have been generally appropriate." (Document 658)

The Department of External Affairs confronted the political and economic challenges of decolonization more directly with the advent of Ghana's independence in 1956. A memorandum entitled "An Awakening Africa" forced officials to consider "how high should Africa rank on our list of priorities?" (Document 737) Canada's interest in the new federation that was about to unite the British West Indies was even more direct. The British connection had traditionally protected Canada's long-standing stake in the Caribbean, which remained an important market for Canadian banks and salt fish from the Maritimes. Independence threatened this tie, and Léger knew it: "In due course U.K. influence is bound to disappear; is it in our interest that it be replaced more or less *in toto* by the U.S.?" (Document 745) The answer was clear, and reluctant officials were told to devise an aid package for the new federation that would underline Canada's continuing interest in the region.

Decolonization was at the heart of Ottawa's preparations for the UN's 11th General Assembly too. It was not enough, Léger argued, for Canada to maintain its "policy of general non-alignment concerning colonial problems." It was time to pursue a "more active and positive" role, mediating between "'the good colonials' and the more 'sophisticated' anti-colonials." (Document 303) Pearson agreed, but cautioned that this would not be easy. The challenges confronting Canadian diplomacy are apparent in the material on the Special United Nations Fund for Economic Development (SUNFED), the Economic and Social Council (ECOSOC), disarmament and Algeria. There was no ready solution to the growing divergence between North and South at the UN, but Canada firmly rejected the idea of abandoning the international organization. In a compelling paper reflecting on the UN's future, Holmes argued in March 1957 that there was no alternative, and that Canada should continue to "show a friendly interest in its workings, maintain the closest bilateral relations with all its members and make sure it remains pretty much what it is." (Document 366)

Tired and easily irritated by the burdens of government, Prime Minister Louis St. Laurent played a diminished role in the elaboration of foreign policy during the period covered in this volume. He was particularly active only during the initial stages of the Suez Crisis, when he was involved in responding to a series of communications from the British prime minister, Anthony Eden. For much of the Crisis, at the Commonwealth Prime Ministers' meetings, and at the Bermuda encounter with Eden's successor, Harold Macmillan, St. Laurent left most of the talking and detailed diplomacy to Pearson.

When Pearson was unavailable, his department was normally represented at the Cabinet table by Paul Martin, the Minister of National Health and Welfare. Martin maintained his interest in arms control and headed Canada's delegation to the UN Disarmament Commission in the spring of 1956. In the fall of that year, he led the Canadian delegation to the annual meeting of the Commonwealth Consultative Committee for South-East Asia, an experience that would profoundly shape his attitude toward Asian Communism. Other Cabinet ministers with significant foreign policy responsibilities included Ralph Campney, the Minister of National Defence, Walter

des Antilles britanniques, en voie de formation. Traditionnellement, les liens avec la Grande-Bretagne assuraient la protection des intérêts que poursuivait de longue date le Canada dans les Antilles, qui demeuraient un marché important pour les banques canadiennes et le poisson salé des Maritimes. L'indépendance représentait une menace pour ces liens, et Léger le savait : « Au moment opportun, l'influence britannique est appelée à disparaître; est-il dans notre intérêt qu'elle soit remplacée plus ou moins complètement par celle des États-Unis? » (document 745) La réponse était claire, et les hauts fonctionnaires réticents se sont vu demander de préparer pour la nouvelle fédération un programme d'aide, qui soulignerait le maintien de l'intérêt du Canada à l'égard de la région.

La décolonisation était également au centre des préparatifs d'Ottawa en vue de la 11^e session de l'Assemblée générale des Nations Unies. Le Canada ne devait pas se contenter de poursuivre sa « politique de non-alignement général en ce qui a trait aux problèmes coloniaux », déclara Léger. Le temps était venu de jouer un rôle « plus actif et plus positif », en servant d'intermédiaire entre « les bons "colonialistes" et les anticolonialistes plus «sophistiqués" ». (document 303) Tout en partageant ce point de vue, Pearson fit valoir que cela n'allait pas être une tâche facile. Il avait raison, et les défis auxquels devait faire face la diplomatie canadienne apparaissent nettement dans les documents concernant le Fonds spécial des Nations Unies pour le développement économique (SUNFED), le Conseil économique et sociale (ECOSOC), le désarmement et l'Algérie. Il n'y avait pas de solution facile face aux divergences croissantes entre le Nord et le Sud aux Nations Unies; mais le Canada rejetait fermement l'idée d'un retrait de l'organisation internationale. Dans un important document de réflexion sur l'avenir des Nations Unies, Holmes note, en mars 1957, qu'il n'y avait pas de solution de rechange et que le Canada devrait continuer à « manifester un intérêt amical envers les travaux (de l'organisation], maintenir les relations bilatérales les plus étroites avec tous ses membres et faire en sorte qu'elle demeure autant que possible telle quelle ». (document 366)

Fatigué et facilement irrité par les soucis du gouvernement, le premier ministre Louis Saint-Laurent joua un rôle restreint dans l'élaboration de la politique étrangère au cours de la période étudiée dans ce volume. Il ne s'y est réellement intéressé que durant les phases initiales de la crise de Suez, où il répondait aux communications du premier ministre britannique Anthony Eden. Pendant une bonne partie de la crise, lors des réunions des premiers ministres du Commonwealth et de la rencontre des Bermudes avec le successeur d'Eden, Harold Macmillan, Saint-Laurent laissa à Pearson le soin de s'occuper, la plupart du temps, des discussions et des détails diplomatiques.

En l'absence de Pearson, son ministère était habituellement représenté aux réunions du Cabinet par Paul Martin, le ministre de la Santé et du Bien-être social. Martin conserva son intérêt pour le contrôle des armements et fut le chef de la délégation canadienne à la Commission du désarmement des Nations Unies, au printemps 1956. À l'automne de cette année, il dirigea la délégation canadienne à la réunion annuelle du Comité consultatif du Commonwealth pour l'Asie du Sud-Est, expérience qui a profondément marqué son attitude à l'égard du communisme en Asie. Parmi les autres ministres du Cabinet, qui exerçaient des responsabilités importantes en matière de politique étrangère, figuraient notamment Ralph Campney, le ministre de la Défense

Harris, the Minister of Finance, and C.D. Howe, the powerful Minister of Trade and Commerce.

Throughout his final 18 months as Secretary of State for External Affairs, Pearson was able to draw on the advice of the remarkably stable group of senior officials with whom he had worked closely for years. Jules Léger remained Under-Secretary of State for External Affairs, assisted by his deputy, R.M. Macdonnell. Léger could also rely on his three seasoned Assistant Under-Secretaries: John Holmes, who accompanied Pearson to New York in November 1956, Jean Chapdelaine, and Max Wershof, who also continued to serve as the Department's Legal Advisor.

There was no change in representation at Canada's major posts abroad until late in the spring of 1957. Dana Wilgress remained Permanent Representative to the North Atlantic Council and Representative to the Organization for European Economic Co-operation. Norman A. Robertson stayed in London as High Commissioner to the United Kingdom until May 1957, when he replaced Arnold Heeney in Washington as Ambassador to the United States. Heeney returned to Ottawa as Chairman of the Civil Service Commission. Georges Vanier continued as Ambassador to France.

This is only the first of two projected volumes covering the period January 1, 1956 to June 10, 1957, when St. Laurent's Liberal government was defeated in a general election by John G. Diefenbaker's Progressive Conservative Party. Although it is clearly impossible to divide the period into two completely self-contained volumes, the editor and general editor have tried to keep as much associated material as possible together, without departing too much from the thematic organization that has characterized earlier volumes in this series. At the same time, practical and budgetary considerations dictated that the two volumes be roughly similar in size. As a result, this volume, with its focus on the Suez Crisis, contains material on the Middle East, the United Nations, NATO and the Commonwealth. The subsequent volume will document Canada's response to the Hungarian Revolution and related developments in Eastern Europe. It will also cover Canada's relations with Western Europe, the United States, the Far East and Latin America. Two chapters will look at atomic energy and international economic institutions.

Like other recent volumes in this series, Volume 22 is based primarily on the records of the Department of External Affairs and the Privy Council Office. These were supplemented where necessary by the private papers of Cabinet ministers and senior officials, and the files of the Departments of National Defence, Finance, and Trade and Commerce. In preparing this volume, I was given complete access to the files of the Department of External Affairs and generous access to other collections. A complete list of the archival sources consulted in the preparation of this volume may be found on page xxix.

The selection of documents is guided by the general principles outlined in the Introduction to Volume 7 (pp. ix-xi), as amended in the Introduction to Volume 20 (p. xxiii). In short, the series tries to provide a "self-contained record of the major foreign policy decisions taken by the Government of Canada," by concentrating on Canada's most important bilateral and multilateral relationships and on the major international issues that directly involved Cabinet members in substantive policy decisions.

nationale, Walter Harris, le ministre des Finances, et C.D. Howe, l'influent ministre du Commerce.

Durant ses 18 derniers mois comme secrétaire d'État aux Affaires extérieures, Pearson pouvait compter sur les conseils d'un groupe remarquablement stable de hauts fonctionnaires qui lui avaient apporté une collaboration étroite pendant des années. Jules Léger demeurait sous-secrétaire d'État aux Affaires extérieures, aidé de son adjoint R.M. Macdonnell. Léger pouvait aussi se reposer sur trois sous-secrétaires d'État adjoints expérimentés : John Holmes, qui accompagna Pearson à New York en novembre 1956, Jean Chapdelaine et Max Wershof, qui continuait parallèlement d'exercer les fonctions de conseiller juridique du Ministère.

Jusqu'à la fin du printemps 1957, il n'y a eu aucune modification dans la composition des principales missions du Canada à l'étranger. Dana Wilgress est demeuré représentant permanent auprès du Conseil de l'Atlantique Nord et représentant auprès de l'Organisation européenne de coopération économique. Norman A. Robertson, haut-commissaire au Royaume-Uni à Londres, jusqu'en mai 1957, date à laquelle il remplaça Arnold Heeney à Washington comme ambassadeur auprès des États-Unis. Heeney revint à Ottawa comme président de la Commission de la fonction publique. Georges Vanier est demeuré ambassadeur auprès de la France.

Le présent ouvrage n'est que le premier de la série de deux volumes envisagés pour la période allant du 1er janvier 1956 au 10 juin 1957, date à laquelle le gouvernement libéral de Saint-Laurent est défait face au Parti Progressiste Conservateur de John G. Diefenbaker, lors d'une élection générale. Il est manifestement impossible de diviser la période en deux volumes complètement autonomes; cependant, le rédacteur et le rédacteur en chef se sont efforcés de regrouper autant que possible les documents connexes, sans trop s'éloigner de l'organisation thématique qui a caractérisé les précédents volumes de la série. En outre, pour des raisons pratiques et budgétaires, le format des deux volumes sera sensiblement le même. Par conséquent, le présent volume, consacré principalement à la crise de Suez, comprend des documents sur le Moyen-Orient, les Nations Unies, l'OTAN et le Commonwealth. Le volume suivant présentera les réactions du Canada à la Révolution hongroise et aux événements connexes en Europe de l'Est. Il comportera également des documents traitant des relations du Canada avec l'Europe de l'Ouest, les États-Unis, l'Extrême-Orient et l'Amérique latine. Deux autres chapitres seront consacrés à l'énergie atomique et aux institutions économiques internationales.

Les dossiers du ministère des Affaires extérieures et du Bureau du Conseil privé ont été les principales sources des documents proposés dans le volume 22, à l'instar des récents volumes de la série. Au besoin, nous avons fait appel aux documents personnels de ministres du Cabinet et de hauts fonctionnaires, ainsi qu'aux dossiers des ministères de la Défense nationale, des Finances et du Commerce. Pour préparer ce volume, j'ai pu consulter sans restrictions les dossiers du ministère des Affaires extérieures et j'ai eu aussi largement accès à d'autres collections. La liste complète des archives consultées figure à la page xxix.

Le choix des documents est guidé par les principes généraux énoncés dans l'introduction du volume 7 (pp. ix-xi), modifiés dans l'introduction du volume 20 (p. xxiii). En bref, la série s'efforce de donner une vue complète des principales décisions de politique étrangère prises par le gouvernement du Canada, en mettant l'accent sur les

The editorial devices used in this volume remain those described in the Introduction to Volume 9 (p. xix). A dagger (†) indicates a Canadian document that has not been printed. Editorial excisions are shown by an ellipse (...). The phrase "group corrupt" indicates decryption problems in the transmission of the original telegram. Words and passages that were struck out by the author, marginal notes and distribution lists are reproduced as footnotes only when important. Unless otherwise indicated, it is assumed that documents have been read by the addressee. Proper and place names are standardized. The editor has silently corrected spelling, punctuation and capitalization, as well as transcription errors whose meaning is clear from their context. All other editorial additions to the documents are indicated by the use of square brackets. Documents are reprinted in either English or French, depending on their language of origin.

The preparation of this volume was a collective effort. The Historical Section continues to depend on the expertise of the National Archives of Canada for help in locating relevant records. Paulette Dozois, David Smith and Robert McIntosh of the Government Archives Division responded quickly and cheerfully to requests for help. Maureen Hoogenraad of the Manuscript Division was equally helpful. Ciuineas Boyle, Access to Information Co-ordinator at the Privy Council Office, and her colleague, Herb Barrett, facilitated access to classified Cabinet records for the period. Corrinne Miller, archivist at the Bank of Canada, was indispensable in dealing with that collection. Geoffrey Pearson steered me toward an important document on the Suez Crisis, and generously granted me access to the closed portions of his father's papers. Mark Hayes of the Naval Historical Center in Washington helped identify some of the American figures in this volume.

Ted Kelly helped research parts of this volume, and guided it through production with diligence. Christopher Cook, whose knowledge of the archival collections reflected in this volume is unrivalled, remained my main research assistant. He was ably assisted at times by Joseph McHattie, Nelson Joannette, Tina McLauchlan and Michael Stevenson. Boris Stipernitz extensively researched several sections in this volume, and compiled the index in trying circumstances. It continued to be a pleasure to work with this team of fine historians.

Don Barry, Hector Mackenzie and Norman Hillmer, former editors of this series, offered advice and encouragement. My colleague, Mary Halloran, joined them in encouraging my progress. John English, the author of an award-winning biography of Pearson, was always willing to discuss Canadian diplomacy in the 1950s. The general editor of this series, John Hilliker, carefully reviewed the whole manuscript, and played a major role in helping to define the scope of this volume as well as its successor. The series would not be possible without the active support of the director of the Communications Programs and Outreach Division, Gaston Barban. I remain solely responsible for the final selection of documents in this volume.

The Historical Section provided the supplementary text and coordinated the technical preparation of the volume. The manuscript was typed and formatted by Aline Gélineau. The Translation Bureau supplied the French for most of the footnotes, the captions and ancillary texts. My colleague in the Communications Services Division, Francine Fournier, generously shared her knowledge of the finer points of French grammar. Gail Kirkpatrick Devlin proofread the entire manuscript, and helped compose the list of persons.

relations bilatérales et multilatérales les plus importantes du Canada et sur les principales questions internationales qui ont fait l'objet de décisions stratégiques importantes auxquelles ont été directement associés des membres du Cabinet.

Les conventions utilisées dans ce volume sont les mêmes que celles décrites dans l'introduction du volume 9 (p. xix). La croix (†) indique que le document canadien n'a pas été imprimé et les ellipses (...) une suppression. L'expression "group corrupt" révèle l'existence de problèmes de déchiffrage dans la transmission du télégramme original. Les mots et les passages qui ont été supprimés par l'auteur, les notes en marge et les listes de diffusion ne sont reproduits dans des notes de bas de page que lorsqu'ils revêtent une certaine importance. Sauf indication contraire, il est supposé que les documents ont été lus par leur destinataire. Les noms propres et les noms de lieu sont normalisés. Le rédacteur a discrètement corrigé l'orthographe, la ponctuation, les majuscules et les erreurs de transcription lorsque le contexte révélait clairement le sens. Tous les ajouts du rédacteur dans le corps du texte sont indiqués par des crochets. Les documents sont reproduits en anglais ou en français, selon leur langue d'origine.

La préparation d'un volume est le fruit d'un effort collectif. La Section des affaires historiques fait toujours appel à l'expertise des Archives nationales du Canada pour repérer les dossiers pertinents. Paulette Dozois, David Smith et Robert McIntosh de la Division des archives gouvernementales ont répondu avec empressement et compétence à mes demandes. Maureen Hoogenraad, de la Direction des manuscrits, m'a également prêté main-forte. Ciuineas Boyle, coordinatrice de l'accès à l'information au Bureau du Conseil privé, et son collègue, Herb Barrett, m'ont facilité l'accès aux documents classifiés du Cabinet pour la période concernée. Corrinne Miller, archiviste à la Banque du Canada, m'a fourni une aide précieuse. Geoffrey Pearson m'a guidé vers un important document sur la crise de Suez et donné un accès sans restrictions aux documents personnels de son père. Mark Hayes, du Naval Historical Center de Washington, m'a aidé à repérer quelques-unes des personnalités américaines mentionnées dans ce volume.

Ted Kelly a participé à la recherche pour certains chapitres du présent volume et a assuré, avec diligence, le bon déroulement de toutes les étapes de la production. Christopher Cook, dont la connaissance incomparable des collections d'archives se reflète dans ce volume, a été encore mon adjoint principal de recherche. Il a été par moments secondé avec compétence par Joseph McHattie, Nelson Joannette, Tina McLauchlan et Michael Stevenson. Boris Stipernitz a mené des recherches approfondies pour plusieurs sections de ce volume et compilé l'index dans des circonstances difficiles. La collaboration avec cette équipe d'historiens remarquables a été un bonheur constant.

Don Barry, Hector Mackenzie et Norman Hillmer, anciens rédacteurs de cette série, nous ont prodigué conseils et encouragements. Il en est de même de ma collègue, Mary Halloran. John English, dont la biographie de Pearson a été primée, était toujours là pour discuter de la diplomatie canadienne dans les années 1950. John Hilliker, rédacteur en chef de cette série, a soigneusement révisé le manuscrit au complet et joué un rôle important dans la définition de l'envergure du présent volume et du volume suivant. Cette série ne serait pas possible sans le soutien actif de Gaston Barban, directeur des Programmes de communications et de la sensibilisation. Je

My wife, Mary, and my children, Katherine and Michael, cheerfully (and vocally) encouraged my work on this volume. I thank them.

GREG DONAGHY

demeure le seul responsable du choix définitif des documents reproduits dans le présent volume.

La Section des affaires historiques a fourni le texte complémentaire et coordonné la préparation technique du volume. Le manuscrit a été dactylographié et mis en pages par Aline Gélineau. Le Bureau de la traduction a produit le texte français de la plupart des notes de bas de page, des légendes et des textes accessoires. Ma collègue de la Division des services de communications, Francine Fournier, nous a donné des conseils en matière de rédaction. Gail Kirkpatrick Devlin s'est chargée de la correction d'épreuves de l'intégralité du manuscrit et a dressé la liste des personnes.

Mon épouse, Mary, et mes enfants, Katherine et Michael, ont chaleureusement (et oralement) encouragé la rédaction du présent volume. Je les remercie.

GREG DONAGHY

PROVENANCE DES DOCUMENTS[1]
LOCATION OF DOCUMENTS[1]

Archives de la Banque du Canada	B. of C.	Bank of Canada Archives
Documents de C.D. Howe, Archives nationales (MG 27 III B20)	C.D.H.	C.D. Howe Papers, National Archives (MG 27 III B20)
Dossiers du ministère des Affaires extérieures, Archives nationales	DEA	Department of External Affairs Files, National Archives
Dossiers du ministère des Finances, Archives nationales (RG 19)	DF	Department of Finance Files, National Archives (RG 19)
Dossiers du ministère de la Défense nationale Archives nationales (RG 24)	DND	Department of National Defence Files, National Archives (RG 24)
Dossiers du ministère du Commerce, Archives nationales (RG 20)	DTC	Department of Trade and Commerce Files, National Archives (RG 20)
Documents de L.B. Pearson, Archives nationales (MG 26 N1)	L.B.P.	L.B. Pearson Papers, National Archives (MG 26 N1)
Documents de L.S. Saint-Laurent, Archives nationales (MG 26 L)	L.S.L.	L.S. St. Laurent Papers, National Archives (MG 26 L)
Bureau du Conseil privé—conclusions du Cabinet et documents du Cabinet	PCO	Privy Council Office—Cabinet Conclusions and Cabinet Documents
Autres documents des archives du BCP	PCO/Vol.#	Other documents from PCO records

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[1] Ceci est une liste des symboles utilisés pour indiquer la provenance des documents. Les cotes des collections déposées aux Archives nationales du Canada sont entre parenthèses.
This is a list of the symbols used to indicate the location of documents. The call numbers of collections deposited at the National Archives of Canada are in parentheses.

LISTE DES ABBRÉVIATIONS
LIST OF ABBREVIATIONS

A/M	Air Marshal
AA	Anti-Aircraft
AEC	Atomic Energy Commission (US)
AECB	Atomic Energy Control Board
AECL	Atomic Energy of Canada Limited
AFP	Agence France-Presse
AR(Q)	Annual Review (Questionnaire) (NATO)
AWX	All Weather Aircraft Interceptor
BAF	Belgian Air Force
BOMARC	Boeing-Michigan Aeronautical Centre
BWI	British West Indies
CANAC	Permanent Delegation of Canada to the North Atlantic Council
CANDEL	Canadian Delegation to the General Assembly of United Nations
CAS	Chief of Air Staff
CBC(-IS)	Canadian Broadcasting Corporation(-International Service)
CCC	Canadian Commercial Corporation
CCOS	Chairman, Chiefs of Staff
CCRU	Canadian Council for Reconstruction through UNESCO
CHANCOM	Channel Command (WEU)
CHINCOM	China Committee of the Paris Consultative Committee
CIA	Central Intelligence Agency (US)
CICT	Commission on International Commodity Trade
CIR	Canada-India Reactor
CJC	Canadian Jewish Congress
CJS	Canadian Joint Staff
CNR	Canadian National Railways
COCOM	Coordinating Committee on Export Controls
CPDUN	Canadian Permanent Delegation to United Nations
CPP	Convention People's Party (Ghana)
CRO	Commonwealth Relations Office (UK)
CSU	*Christlich Soziale Union* (Christian Social Union - West Germany)
CY	Calendar Year
DBS	Dominion Bureau of Statistics
DDP	Department of Defence Production
DEA	Department of External Affairs
DEW	Distant Early Warning
DL(1)	Defence Liaison (1) Division
DND	Department of National Defence
DOT	Department of Transport
DRB	Defence Research Board
ECAFE	Economic Commission for Asia and the Far East (UN)
ECE	Economic Commission for Europe (UN)
ECLA	Economic Commission for Latin America (UN)
ECM	Electronic Counter-Measure
ECOSOC	Economic and Social Council of United Nations
EDC	European Defence Community
EOKA	Ethniki Organosis Kyprion Agoniston (National Organization of Cypriot Fighters)
EPU	European Payments Union
EST	Eastern Standard Time
ETAP	Expanded Technical Assistance Program (UN)
EURATOM	European Atomic Energy Community
FAO	Food and Agriculture Organization
FFAR	Fin Folded Air Rocket
FO	Foreign Office (UK)
FUNU	Force d'urgence des Nations Unies
FY	Fiscal Year
GATT	General Agreement on Tariffs and Trade

GKZT	*Gosudarstvennyi Komitet Zarubezhnoi Torgovli* (State Committee for Foreign Trade – USSR)
GMC	General Motors Corporation
GMT	Greenwich Mean Time
HMCS	Her Majesty's Canadian Ship
HR	House of Representatives (US)
IATA	International Air Transport Association
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
ICBM	Intercontinental Ballistic Missile
ICCICA	Interim Co-ordinating Committee for International Commodity Arrangements
ICEM	International Committee for European Migration
ICSC	International Commission for Supervision and Control
IFC	International Finance Corporation (UN)
IFTU	International Federation of Trade Unions
IFF	Identification Friend or Foe
ILO	International Labour Organization
IMF	International Monetary Fund
ISA	Office of the Assistant Secretary of Defense for International Security Affairs (US) Dept of Defense
ITO	International Trade Organization
JIB	Joint Intelligence Bureau
JIC	Joint Intelligence Committee
KGB	*Komitet Gosudarstvennoi Bezopasnosti* (Committee of State Security – USSR)
MAA	Military Assistance Agreement (US)
MAAG	Military Assistance Advisory Group (US)
MAE	Ministère des Affaires Extérieures
MC	Military Committee (NATO)
MDAP	Mutual Defence Assistance Program (US)
MEDO	Middle East Defence Organization
MIG	Mikoyan i Gurevich
MW	Mega Watt
NATIS	North Atlantic Treaty Organization Information Service
NATO	North Atlantic Treaty Organization
NEACC	Near East Arms Coordinating Committee
NRX	Nuclear Research Experimental
NWFP	North-West Frontier Province
NZ	New Zealand
OAS	Organization of American States
OEEC	Organization for European Economic Cooperation
ONU	Organisation des Nations Unies
OTAN	Organisation du traité de l'Atlantique Nord
OTU	Operational Training Unit
PC(O)	Privy Council (Office)
PERMDEL	Permanent Delegation of Canada to the United Nations, New York
QOR	Queen's Own Rifles of Canada
QR	Queen's Regulations
RAF	Royal Air Force (UK)
RC Sigs	Royal Canadian Corps of Signals
RCAF	Royal Canadian Air Force
RCASC	Royal Canadian Army Service Corps
RCC	Revolutionary Command Council
RCEME	Royal Canadian Electrical and Mechanical Engineers
RCMP	Royal Canadian Mounted Police
RCN (R)	Royal Canadian Navy (Reserve)
RN	Royal Navy (UK)

SAC	STRATEGIC AIR COMMAND (US)
SACEUR	SUPREME ALLIED COMMANDER, EUROPE (NATO)
SACLANT	SUPREME ALLIED COMMANDER, ATLANTIC (NATO)
SAS	SCANDINAVIAN AIRLINES
SCUA	SUEZ CANAL USERS' ASSOCIATION
SEATO	SOUTH EAST ASIA TREATY ORGANIZATION
SG	STANDING GROUP (NATO)
SGLO	STANDING GROUP LIAISON OFFICER (NATO)
SHAPE	SUPREME HEADQUARTERS, ALLIED POWERS, EUROPE (NATO)
SUNFED	SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT/FONDS SPÉCIAL DES NATIONS UNIES POUR LE DÉVELOPPEMENT ÉCONOMIQUE
TAC	TECHNICAL ASSISTANCE COMMITTEE (UN)
TCA	TRANS-CANADA AIRLINES
TCC	TEMPORARY COUNCIL COMMITTEE (NATO)
UK	UNITED KINGDOM
UN	UNITED NATIONS
UNEF	UNITED NATIONS EMERGENCY FORCE
UNESCO	UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION
UNICEF	UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND
UNKRA	UNITED NATIONS KOREAN RECONSTRUCTION AGENCY
UNREF	UNITED NATIONS REFUGEE FUND
UNRPR	UNITED NATIONS RELIEF FOR PALESTINE REFUGEES
UNRWA(PR)	UNITED NATIONS RELIEF AND WORKS AGENCY (FOR PALESTINE REFUGEES)
UNTAB	UNITED NATIONS TECHNICAL ASSISTANCE BUREAU
UNTSO	UNITED NATIONS TRUCE SUPERVISORY ORGANIZATION
USA	UNITED STATES OF AMERICA
USAF	UNITED STATES AIR FORCE
USSEA	UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS
USSR	UNION OF SOVIET SOCIALIST REPUBLICS
WEU	WESTERN EUROPEAN UNION
WGAF	WEST GERMAN AIR FORCE
WHO	WORLD HEALTH ORGANIZATION

LISTE DES PERSONNALITÉS[1]
LIST OF PERSONS[1]

ABDOH, Djalal, délegation de l'Iran auprès des Nations Unies.	ABDOH, Djalal, Delegation of Iran to United Nations.
ADEANE, sir Michael, secrétaire particulier de la Reine et Garde des archives de Sa Majesté.	ADEANE, Sir Michael, Private Secretary to the Queen and Keeper of Her Majesty's Archives.
ADENAUER, Konrad, chancelier de la République fédérale d'Allemagne.	ADENAUER, Konrad, Chancellor of Federal Republic of Germany.
AHMAD, Dr. Nazir, Atomic Energy Commission du Pakistan.	AHMAD, Dr. Nazir, Atomic Energy Commission of Pakistan.
ALDRICH, Winthrop, ambassadeur des États-Unis au Royaume-Uni.	ALDRICH, Winthrop, Ambassador of United States in United Kingdom.
ALESSANDRINI, Adolfo, représentant permanent de l'Italie, Conseil de l'Atlantique Nord.	ALESSANDRINI, Adolfo, Permanent Representative of Italy to North Atlantic Council.
ALI, Chaudhri Mohammad, premier ministre et minstre de la Défense du Pakistan (-sept. 1956)	ALI, Chaudhri Mohammad, Prime Minister and Minister of Defence of Pakistan (-Sept. 1956).
ALI, Mohammed, ambassadeur du Pakistan aux États-Unis.	ALI, Mohammed, Ambassador of Pakistan in United States.
ALI, Syed Amjad, ministre des Finances du Pakistan.	ALI, Syed Amjad, Minister of Finance of Pakistan.
ALLEN, Ward P., conseiller – Nations Unies, Bureau des Affaires européennes, département d'État des États-Unis.	ALLEN, Ward P., United Nations Adviser, Bureau of European Affairs, Department of State of United States.
ANDERSEN, Hans, représentant permanent de l'Islande, Conseil de l'Atlantique Nord.	ANDERSEN, Hans, Permanent Representative of Iceland to North Atlantic Council.
ALPHAND, Hervé, représentant permanent de la France auprès des Nations Unies (-août 1956); ambassadeur aux États-Unis.	ALPHAND, Hervé, Permanent Representative of France to United Nations (-Aug. 1956); Ambassador in United States.
ARDEN-CLARKE, Sir Charles, gouverneur-général du Ghana.	ARDEN-CLARKE, Sir Charles, Governor General of Ghana.
ARMSTRONG, Park, adjoint spécial (renseignements), département d'État des États-Unis.	ARMSTRONG, Park, Special Assistant (Intelligence), Department of State of United States.
ASGEIRSSON, Asgeir, président de l'Islande.	ASGEIRSSON, Asgeir, President of Iceland.
ASHA, Rafik, chargé d'affaires, ambassade de Syrie aux États-Unis; président, Conseil de la tutelle des Nations Unies (juin 1956-).	ASHA, Rafik, Chargé d'affaires, Embassy of Syria in United States; President of United Nations Trusteeship Council (June 1956-).
AULT, Dr. Orvill, directeur de la Planification et du développement, Commission du service civil, et chef, Mission d'assistance technique des Nations Unies auprès du Ghana sur les besoins en main-d'oeuvre.	AULT, Dr. Orvill, Director of Planning and Development, Civil Service Commission and Head, United Nations Technical Assistance Mission on Manpower Requirements to Ghana.
AVEROFF, Evangelos, ministre des Affaires étrangères de la Grèce (mai 1956-).	AVEROFF, Evangelos, Foreign Minister of Greece (May 1956-).
BANDARANAIKE, Solomon, premier ministre du Ceylan.	BANDARANAIKE, Solomon, Prime Minister of Ceylon.

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[1] Ceci est une sélection des principales personnalités canadiennes et de certaines personnalités de l'étranger souvent mentionnées dans les documents. Les notices biographiques se limitent aux fonctions qui se rapportent aux documents reproduits dans ce volume.
This is a selection of important Canadian personalities and some foreign personalities often mentioned in the documents. The biographical details refer only to the positions pertinent to the documents printed herein.

BARCO, James W., conseiller, mission des États-Unis auprès des Nations Unies.	BARCO, James W., Counsellor, United States Mission to United Nations.
BEAULIEU, Paul, conseiller, haut-commissariat au Royaume-Uni.	BEAULIEU, Paul, Counsellor, High Commission in United Kingdom.
BELGRAVE, T.R.D., premier secrétaire, haut-commissariat du Royaume-Uni.	BELGRAVE, T.R.D., First Secretary, High Commission of United Kingdom.
BEN GURION, David, premier ministre et ministre de la Défense de l'Israël.	BEN GURION, David, Prime Minister and Minister of Defence of Israel.
BENTINCK, A., représentant permanent des Pays-Bas, Conseil de l'Atlantique Nord.	BENTINCK, A., Permanent Representative of the Netherlands to North Atlantic Council.
BERNARDES, Carlos A., délégation du Brasil auprès des Nations Unies; président et membre du Conseil des gouverneurs, Commission préparatoire, Agence internationale de l'énergie atomique (oct. 1956-).	BERNARDES, Carlos A., Delegation of Brazil to United Nations; Chairman and member of the Board of Governors, Preparatory Commission, International Atomic Energy Agency (Oct. 1956-).
BEYEN, Johan W., ministre des Affaires étrangères des Pays-Bas (conjointement avec Joseph Luns jusqu'en octobre 1956).	BEYEN, Johan W., Minister of Foreign Affairs of the Netherlands (concurrently with Joseph Luns until Oct. 1956).
BHABHA, Dr. Homi J., président, Atomic Energy Commission of India; secéretaire, ministère d'Energie atomique de l'Inde.	BHABHA, Dr. Homi J., Chairman, Atomic Energy Commission and Secretary, Department of Atomic Energy of India.
BING, Geoffrey, conseiller au premier ministre du Ghana.	BING, Geoffrey, Adviser to Prime Minister of Ghana.
BIRGI, Muharrem Nuri, secrétaire-général ayant rang d'ambassadeur, ministère des Affaires étrangères de la Turquie.	BIRGI, Muharrem Nuri, Secretary-General with rank of Ambassador, Foreign Office of Turkey.
BLANK, Theodor, ministre de la Defense de la République fédérale d'Allemagne.	BLANK, Theodor, Minister of Defence of Federal Republic of Germany.
BLANKENHORN, Herbert A.H., représentant permanent de la République fédérale d'Allemagne, Conseil de l'Atlantique Nord.	BLANKENHORN, Herbert A.H., Permanent Representative of Federal Republic of Germany to North Atlantic Council.
BOLAND, Frederick H., représentant permanent de l'Irlande auprès des Nations Unies.	BOLAND, Frederick H., Permanent Representative of Ireland to United Nations.
BOTSIO, Kojo, ministre du Commerce et du Travail du Ghana.	BOTSIO, Kojo, Minister of Trade and Labour of Ghana.
BOULGANIN, N.A., président, Conseil des ministres de l'Union soviétique.	SEE BULGANIN
BOURGUIBA, Habib, premier ministre de la Tunisie (avr. 1956-)	BOURGUIBA, Habib, Prime Minister of Tunisia (April 1956-).
BRADSHAW, Robert L., ministre du Commerce et de la Production du St.-Kitts-et-Nevis et Anguilla.	BRADSHAW, Robert L., Minister for Trade and Production, St. Kitts-Nevis-Anguilla.
BRAYLEY, Jack, correspondant, Presse canadienne, le Caire.	BRAYLEY, Jack, Canadian Press correspondent, Cairo.
VON BRENTANO, Heinrich, ministre des Affaires étrangères de la République fédérale d'Allemagne.	VON BRENTANO, Heinrich, Minister of Foreign Affairs of Federal Republic of Germany.
BROOK, Sir Norman, secrétaire du Cabinet du Royaume-Uni (-oct. 1956); co-secrétaire permanent du Trésor et chef du Service civil du Royaume-Uni.	BROOK, Sir Norman, Secretary to Cabinet of United Kingdom (-Oct. 1956); Joint Permanent Secretary to the Treasury and Head of the Home Civil Service.

BROWN, Col. H.E., commandant, Contingent canadien, FUNU (mai 1957-).	BROWN, Col. H.E., Commanding Officer, Canadian Contingent, UNEF (May 1957-).
BROWN, K.C., 1ère Direction de liaison avec la Défense.	BROWN, K.C., Defence Liaison (1) Division.
BRUCKER, W.M., secrétaire de l'Armée des États-Unis.	BRUCKER, W.M., Secretary of the Army of United States.
BRYCE, R.B., greffier du Conseil privé et secrétaire du Cabinet.	BRYCE, R.B., Clerk of Privy Council and Secretary to Cabinet.
VOIR BOULGANIN	BULGANIN, N.A., Chairman, Council of Ministers of Soviet Union.
BUNCHE, Dr. Ralph, sous-secrétaire, Bureau des sous-secrétaires sans département, secrétariat des Nations Unies.	BUNCHE, Dr. Ralph, Under-Secretary, Office of Under-Secretaries Without Department, United Nations Secretariat.
BURNS, major-général E.L.M., chef d'état-major, organisme des Nations Unies chargé de la surveillance de la trêve.	BURNS, General E.L.M., Chief of Staff, United Nations Truce Supervision Organization.
BUSHELL, J.C.W., chef adjoint, département des Organisations de l'Ouest, Foreign Office du Royaume-Uni.	BUSHELL, J.C.W., Assistant Head, Western Organisations Department, Foreign Office of United Kingdom.
BUSIA, K.A., chef de l'Opposition (United Party), Ghana.	BUSIA, K.A., Leader of the Opposition (United Party), Ghana Parliament.
BUTLER, R.A., lord Garde du sceau privé et leader à la Chambre des communes et, à partir de janvier 1957, Home Secretary.	BUTLER, R.A., Lord Privy Seal and Leader of the House of Commons and, from January 1957, Home Secretary.
CABELL, Lt. General Charles P. (USAF), sous-directeur, Central Intelligence Agency des États-Unis.	CABELL, Lt. General Charles P. (USAF), Deputy Director, Central Intelligence Agency of United States.
CACCIA, sir Harold, sous-secrétaire d'État suppléant des Affaires étrangères, Foreign Office du Royaume-Uni (-nov. 1956); ambassadeur du Royaume-Uni aux États-Unis.	CACCIA, Sir Harold, Deputy Under-Secretary of State for Foreign Affairs, Foreign Office of United Kingdom (-Nov 1956); Ambassador of United Kingdom in United States.
CADIEUX, Marcel, chef, Direction des Nations Unies.	CADIEUX, Marcel, Head, United Nations Division.
CAMERON, Dr. A.E., président, École technique de la Nouvelle-Écosse.	CAMERON, Dr. A.E., President, Nova Scotia Technical College.
CAMPBELL, A.G., Direction des Nations Unies.	CAMPBELL, A.G., United Nations Division.
CAMPBELL, P.G.R., Direction du Commonwealth et du Moyen-Orient.	CAMPBELL, P.G.R., Commonwealth and Middle Eastern Division.
CAMPNEY, R.O., ministre de la Défense nationale.	CAMPNEY, Ralph O., Minister of National Defence.
CARSON, Melville P., délégué commercial, délégation commercial à Singapour.	CARSON, Melville P., Trade Commissioner, Trade Commission in Singapore.
CASARDI, Alberico, représentant permanent de l'Italie, Conseil de l'Atlantique Nord et président, Groupe de travail sur les tendances de la politique soviétique.	CASARDI, Alberico, Permanent Representative of Italy to North Atlantic Council and Chairman, Working Group on Trends of Soviet Policy.
CASEY, Richard G., ministre des Affaires extérieures de l'Australie.	CASEY, Richard G., Minister of External Affairs of Australia.

Cavell, R.G. (Nik), administrateur, Plan de Colombo, Direction de la Coopération économique et technique internationale, ministère du Commerce.	Cavell, R.G. (Nik), Colombo Plan Administrator, International Economic and Technical Cooperation Division, Department of Trade and Commerce.
Chamoun, Camille, président du Liban.	Chamoun, Camille, President of Lebanon.
Chappell, N.R., attaché à la Production pour la défense, ambassade aux États-Unis.	Chappell, N.R., Attaché (Defence Production), Embassy in United States.
Chauvel, J.M.H., ambassadeur de la France au Royaume-Uni.	Chauvel, J.M.H., Ambassador of France in United Kingdom.
Choudry, Hamidal Haq, ministre des Affaires étrangères et des Relations avec le Commonwealth du Pakistan (-sept. 1956).	Choudry, Hamidal Haq, Minister for Foreign Affairs and Commonwealth Relations of Pakistan (-Sept. 1956).
Churchill, Gordon, député (CP – Winnipeg-Sud-Centre).	Churchill, Gordon, M.P. (PC – Winnipeg South Centre).
Cleveland, J.H., conseiller, haut-commissariat au Pakistan (-août 1956); Direction de l'Amérique.	Cleveland, J.H., Counsellor, High Commission in Pakistan. (-Aug 1956); American Division.
Coldwell, M.J., député et chef du FCC (Rosetown-Biggar).	Coldwell, M.J., M.P. (Leader, CCF, Rosetown-Biggar).
Comay, Michael S., ambassadeur de l'Israël.	Comay, Michael S., Ambassador of Israel.
Coomaraswamy, Raju, secrétaire adjoint du ministère des Finances du Ceylan.	Coomaraswamy, Raju, Assistant Secretary, Department of Finance of Ceylon
Cordier, Andrew W., adjoint exécutif au secrétaire général des Nations Unies.	Cordier, Andrew W., Executive Assistant to Secretary-General of United Nations.
Coty, René, président de la France.	Coty, René, President of France.
Couillard, J. Louis, conseiller, ambassade aux États-Unis (-jan. 1957); chef, Direction économique.	Couillard, J. Louis, Counsellor, Embassy in United States (-Jan. 1957); Head, Economic Division.
Coulson, John E., ministre, ambassade du Royaume-Uni aux États-Unis.	Coulson, John E., Minister, Embassy of United Kingdom in United States.
Crean, G.G., chef, 2$^{\text{ième}}$ Direction de liaison avec la Défense.	Crean, G.G., Head, Defence Liaison (2) Division.
Croll, Senator David, représentant suppléant, délégation au Conseil économique et social des Nations Unies.	Croll, Senator David, Alternate Representative, Delegation to ECOSOC.
Crosthwaite, P. Moore, représentant permanent suppléant du Royaume-Uni auprès des Nations Unies.	Crosthwaite, P. Moore, Deputy Permanent Representative of United Kingdom to United Nations.
de Croüy-Chanel, Étienne, directeur adjoint des Affaires politiques, ministère des Affaires étrangères de la France.	de Croüy-Chanel, Étienne, Deputy Director of Political Affairs, Ministry of Foreign Affairs of France.
Crowson, Col. D.L., adjoint militaire au secrétaire de la Défense (Énergie atomique) des États-Unis.	Crowson, Col. D.L., Military Assistant to Secretary of Defense (Atomic Energy) of United States.
Dalgleish, Oakley, rédacteur en chef, *The Globe and Mail*.	Dalgleish, Oakley, Editor-in-Chief, *The Globe and Mail*.
Daniell, Clifton, correspondant, *The New York Times*.	Daniell, Clifton, correspondent, *The New York Times*.
Dare, Col. M.R., commandant, Contingent canadien, FUNU (nov. 1956-mai 1957).	Dare, Col. M.R., Commanding Officer, Canadian Contingent, UNEF, (Nov. 1956-May 1957).

DARIDAN, Jean Henri, directeur général des Affairs politiques et économiques, ministère des Affaires étrangères de la France.	DARIDAN, Jean Henri, Director General of Political and Economic Affairs, Ministry of Foreign Affairs of France.
DAVIDSON, Dr. G.F., sous-ministre (Bien-être) de la Santé et du Bien-être; membre de la délégation au Conseil économique et social des Nations Unies.	DAVIDSON, Dr. G.F., Deputy Minister (Welfare) of National Health and Welfare; Member, Delegation to ECOSOC.
DAWNAY, contre-amiral Peter, contrôleur adjoint de la Marine, Amirauté du Royaume-Uni.	DAWNAY, Rear Admiral Peter, Deputy Controller of the Navy, Admiralty of United Kingdom.
DAYAN, General Moshe, chef d'état-major des forces armées israëliennes.	DAYAN, General Moshe, Chief of Staff, Israeli Defence Force.
DEAN, Patrick, sous-secrétaire d'État adjoint aux Affaires étrangères, Foreign Office du Royaume-Uni.	DEAN, Patrick, Assistant Under-Secretary of State for Foreign Affairs, Foreign Office of United Kingdom.
DEANE, Philip, correspondant, *The Globe and Mail*, Washington.	DEANE, Philip, *The Globe and Mail* correspondent, Washington.
DEPALMA, Samuel, directeur adjoint (Nations Unies), Bureau des Affaires politiques et de la securité, département d'État des États-Unis (avr. 1956-).	DEPALMA, Samuel, Deputy Director, Office of United Nations Political and Security Affairs, Department of State of United States (April 1956-).
DESAI, M.J., secrétaire des Relations avec le Commowealth, ministère des Affaires étrangères de l'Inde.	DESAI, M.J., Commonwealth Secretary, Department of Foreign Affairs of India.
DEUTSCH, John J., sous-ministre adjoint, ministère des Finances.	DEUTSCH, John J., Assistant Deputy Minister, Department of Finance.
DIEFENBAKER, John G., député, chef de l'Opposition (CP, Prince Albert).	DIEFENBAKER, John G., M.P. (Leader of the Opposition, PC, Prince Albert).
DIXON, sir Pierson, représentant permanent du Royaume-Uni auprès des Nations Unies.	DIXON, Sir Pierson, Permanent Representative of United Kingdom to United Nations.
DOUGLAS, James H., sous-secrétaire des Forces aériennes des États-Unis (-mar 1957); secrétaire des Forces aériennes.	DOUGLAS, James H., Under Secretary of Air Force of United States (-Mar 1957); Secretary of Air Force.
DUBS, Adolph, deuxième secrétaire, ambassade des États-Unis.	DUBS, Adolph, Second Secretary, Embassy of United States.
DULLES, Allen, directeur, Central Intelligence Agency des États-Unis.	DULLES, Allen, Director, Central Intelligence Agency of United States.
DULLES, John Foster, secrétaire d'État des États-Unis.	DULLES, John Foster, Secretary of State of United States.
DURNFORD-SLATER, vice-amiral Robin Leonard Francis, officier général et commandant adjoint, flotte du Royaume-Uni en Méditerranée.	DURNFORD-SLATER, Vice-Admiral Robin Leonard Francis, Flag Officer, 2nd in Command, Mediterranean Fleet of United Kingdom.
DUTT, Subimal, secrétaire des Affaires étrangères de l'Inde.	DUTT, Subimal, Foreign Secretary, Ministry of External Affairs of India.
EBAN, Abba, ambassadeur d'Israël aux États-Unis.	EBAN, Abba, Ambassador of Israel in United States.
ECCLES, David, ministre de l'Education du Royaume-Uni (-jan. 1957).	ECCLES, David, Minister of Education, United Kingdom (-Jan. 1957).
EDEN, Sir Anthony, premier minister et premier lord du Trèsor du Royaume-Uni (-jan. 1957).	EDEN, Sir Anthony, Prime Minister and First Lord of the Treasury of United Kingdom (-Jan. 1957).
EEMAN, Harold, ambassadeur de la Belgique.	EEMAN, Harold, Ambassador of Belgium.

EISENHOWER, Dwight D., président des États-Unis.	EISENHOWER, Dwight D., President of United States.
EL KHATIB, El Husseini, ambassadeur de l'Égypte.	EL KHATIB, El Husseini, Ambassador of Egypt.
ELBRICK, C.B., sous-secrétaire d'État adjoint aux Affaires européennes, département d'État des États-Unis.	ELBRICK, C.B., Deputy Assistant Secretary of State for European Affairs, Department of State of United States.
ENGEN, Hans, reprèsentanat permanent de la Norvège auprès des Nations Unies.	ENGEN, Hans, Permanent Representative of Norway to United Nations.
ENTEZAM, Nazrollah, ambassadeur d'Iran aux États-Unis et chef de la délégation d'Iran à l'Assemblée générale des Nations Unies.	ENTEZAM, Nazrollah, Ambassador of Iran in United States and Chief of Delegation of Iran to United Nations General Assembly.
ERELL, Moshe, premier secrétaire, ambassade de l'Israël	ERELL, Moshe, First Secretary, Embassy of Israel.
FAURE, Edgar, premier ministre de la France (-jan. 1956).	FAURE, Edgar, Prime Minister of France, (-Jan.1956).
FAWZI, Dr. Mahmoud, ministre des Affaires étrangères de l'Égypte.	FAWZI, Dr. Mahmoud, Foreign Minister of Egypt.
FITZMAURICE, sir Gerald, conseiller auprès du gouvernement du Royaume-Uni à la Cour internationale de Justice et membre de la Commission du droit international des Nations Unies.	FITZMAURICE, Sir Gerald, Counsel for United Kingdom Government at International Court of Justice and member of United Nations International Law Commission.
FORD, R.A.D., chef, Direction européenne (-mars. 1957).	FORD, R.A.D., Head, European Division (-March 1957).
FORTIER, colonel Laval, sous-ministre de la Citoyenneté et de l'Immigration.	FORTIER, Col.Laval, Deputy Minister of Citizenship and Immigration.
FOULKES, lieutenant-général Charles, président du Comité des chefs d'état-major.	FOULKES, Lt.-Gen. Charles, Chairman, Chiefs of Staff Committee.
FRASER, Blair, correspondant, *Macleans*.	FRASER, Blair, *Macleans* correspondent.
FURNAS, Howard, Bureau de l'adjoint spécial (renseignments), département d'État des États-Unis.	FURNAS, Howard, Office of Special Assistant – Intelligence, Department of State of United States.
GALSWORTHY, J.E., adjoint, département des Affairs du Sud, Foreign Office du Royaume-Uni.	GALSWORTHY, J.E., Assistant, Southern Department, Foreign Office of United Kingdom.
GARNER, Sir Joseph John Saville, sous-secrétaire d'État suppléant, Bureau des Relations avec le Commonwealth du Royaume-Uni (-nov. 1956); haut-commissaire du Royaume-Uni.	GARNER, Sir Joseph John Saville, Deputy Under-Secretary of State, Commonwealth Relations Office of United Kingdom (-Nov. 1956); High Commissioner of United Kingdom.
GBEDEMAH, K.A., ministre des Finances du Ghana.	GBEDEMAH, K.A., Minister of Finance of Ghana.
GEORGE, James, Direction européene.	GEORGE, James, European Division.
GEORGE, Senator Walter F. (D-Georgie), président, Comité des relations étrangères du Sénat des États-Unis (-jan. 1957).	GEORGE, Senator Walter F. (D-Georgia), Chairman, Senate Foreign Relations Committee of United States (-Jan. 1957).
GEORGES-PICOT, Guillaume, représentant, délégation de la France à l'Assemblée générale des Nations Unies.	GEORGES-PICOT, Guillaume, Representative, Delegation of France to United Nations General Assembly.
GILBERT, H.A., premier secrétaire, ambassade aux États-Unis.	GILBERT, H.A., First Secretary, Embassy in United States.

GILLESPIE, colonel d'aviation W.L., ARC, adjoint exécutif au chef de l'état-major de la Force aérienne (-nov. 1956); adjoint au chef de l'état-major de la Force aérienne.	GILLESPIE, Group Captain W.L., RCAF, Executive Assistant to Chief of the Air Staff (-Nov 1956); Assistant to Chief of the Air Staff.
GOHAR, Colonel Salah, représentant de l'Égypte auprès de la commission consultative de l'UNRWA.	GOHAR, Colonel Salah, Representative of Egypt on UNRWA Advisory Commission.
GOLDEN, David, sous-ministre de la Production pour la défense.	GOLDEN, David, Deputy Minister of Defence Production.
GOMULKA, Wladyslaw, premier secrétaire du Comité central du Parti des Ouvriers unifiés de la Pologne (oct. 1956-).	GOMULKA, Wladyslaw, First Secretary of Central Committee, Polish United Workers Party (Oct. 1956-).
GRAHAM, Lt. Gen., H.D., chef d'état major général.	GRAHAM, Lt. Gen., H.D., Chief of General Staff.
GRANDY, J.F., Direction économique.	GRANDY, J.F., Economic Division.
GREEN, Howard, député (CP-Vancouver-Quadra).	GREEN, Howard, M.P. (PC-Vancouver-Quadra).
GREY, Gordon, secrétaire adjoint à la Défense (Affaires de sécurité internationale), département de la Défense des États-Unis (-fév. 1957).	GREY, Gordon, Assistant Secretary of Defense for International Security Affairs, Department of Defense of United States (-Feb 1957).
GREY, Lorne, vice-président, Énérgie atomique du Canada Ltée.	GREY, Lorne, Vice-President, Atomic Energy of Canada Limited..
GREY, Rodney Y., Direction des Relations économiques internationales, ministère des Finances (-sept. 1956); ministère des Affaires extérieures.	GREY, Rodney Y., International Economic Relations Division, Department of Finance (-Sept. 1956); Department of External Affairs.
GROMYKO, Andrei, premier vice-ministre des Affaires étrangères de l'Union soviétique (-fév. 1957); ministre des Affaires étrangères.	GROMYKO, Andrei, First Deputy Minister of Foreign Affairs of Soviet Union (-Feb.1957); Foreign Minister.
GRONCHI, Giovanni, président de l'Italie.	GRONCHI, Giovanni, President of Italy.
GRUENTHER, lieutenant-général A.M., commandant suprême des Forces alliées en Europe (-nov. 1956).	GRUENTHER, Lt.-Gen. A.M., Supreme Allied Commander in Europe (-Nov. 1956).
GUDMUNDSSON, Gudmundar J., ministre des Affaires étrangères d'Islande (juil.1956-)	GUDMUNDSSON, Gudmundar J., Minister of Foreign Affairs of Iceland (July 1956-).
GUDMUNSON, Kristinn, ministre des Affaires étrangères d'Islande (-juil. 1956).	GUDMUNDSSON, Kristinn, Minister of Foreign Affairs of Iceland (-July 1956).
DE GUIRINGAUD, Louis, représentant, délégation de la France auprés des Nations Unies.	DE GUIRINGAUD, Louis, Representative, Delegation of France to United Nations.
GUNEWARDENE, Sir Ratnakirti Senerat, ambassadeur du Ceylan aux États-Unis et représentant, délégation du Ceylan à la première et à la deuxième session spéciales d'urgence de l'Assemblée générale des Nations Unies.	GUNEWARDENE, Sir Ratnakirti Senerat, Ambassador of Ceylon to United States and Representative on Delegation to First and Second Emergency Special Sessions of United Nations General Assembly.
GUNNENG, Arne, délégation de la Norvège à l'Assemblée générale des Nations Unies.	GUNNENG, Arne, Delegation of Norway to United Nations General Assembly.
HADLEY, Ed, correspondant, *Montreal Star*, Washington.	HADLEY, Ed, *Montreal Star* correspondent, Washington.
HADWEN, J.G., Direction du Commonwealth et du Moyen Orient.	HADWEN, J.G., Commonwealth and Middle East Division.

Hailsham, Viscount, vicomte, premier lord de l'Amirauté du Royaume-Uni (-jan. 1957); ministre de l'Éducation.	Hailsham, Viscount, First Lord of the Admiralty of United Kingdom (-Jan.1957); Minister of Education.
von Hallstein, Dr. Walter, secrétaire d'État de la République fédérale d'Allemagne.	von Hallstein, Dr. Walter, Secretary of State of Federal Republic of Germany.
Hammarskjöld, Dag, secrétaire général des Nations Unies.	Hammarskjöld, Dag, Secretary General of United Nations.
Harding, maréchal John, gouverneur de Chypre.	Harding, Field Marshall John, Governor of Cyprus.
Harkness, Douglas, député (CP—Calgary Nord).	Harkness, Douglas, M.P. (PC— Calgary North).
Harrington, J., Direction économique.	Harrington, James, Economic Division.
Harris, W.E., ministre des Finances.	Harris, W.E., Minister of Finance.
Hatem, Muhammad Abdul Qadir, directeur général de l'Information, ministre de la Conduite nationale et conseiller à l'information auprès du président d'Égypte.	Hatem, Muhammad Abdul Qadir, Director General of Information, Minister of National Guidance and Adviser to President of Egypt on Information.
Hayes, Saul, directeur exécutif, Congrès juif canadien.	Hayes, Saul, Executive Director, Canadian Jewish Congress.
Hébert, Charles P., ambassadeur en Belgique.	Hébert, Charles P., Ambassador in Belgium.
Heeney, A.D.P., ambassadeur aux États-Unis (-mai 1957).	Heeney, A.D.P., Ambassador in United States (-May 1957).
Heikal, Mohammed Hassanein, journaliste égyptien.	Heikal, Mohammed Hassanein, Egyptian journalist.
Henderson, Larry, correspondant, Société Radio Canada.	Henderson, Larry, correspondent, CBC.
Henderson, Loy, ambassadeur des États-Unis en Égypt.	Henderson, Loy, Ambassador of United States in Egypt.
Hill, Brian, représentant suppléant, mission permanente de l'Australie auprès des Nations Unies.	Hill, Brian, Alternate Representative, Permanent Mission of Australia to United Nations.
Hockin, A.B., Direction des Relations économiques internationales, ministère des Finances.	Hockin, A.B., International Economic Relations Division, Department of Finance.
Hoffman, Paul, délégué des États-Unis à l'Assemblée générale des Nations Unies.	Hoffman, Paul, United States Delegate to United Nations General Assembly.
Holland, Sydney, premier ministre de la Nouvelle-Zélande.	Holland, Sydney, Prime Minister of New Zealand.
Holmes, John W., sous-secrétaire d'État adjoint aux Affaires extérieures.	Holmes, John W., Assistant Under-Secretary of State for External Affairs.
Home, Lord, secrétaire d'État des Relations avec le Commonwealth du Royaume-Uni.	Home, Lord, Secretary of State for Commonwealth Relations of United Kingdom.
Hoover, Herbert Jr., sous-secrétaire d'État des États-Unis.	Hoover, Herbert Jr., Under Secretary of State of United States.
Horsey, Outerbridge, directeur, Bureau des Affaires du Commonwealth et de l'Europe du Nord, département d'État des États-Unis.	Horsey, Outerbridge, Director, Office of British Commonwealth and Northern European Affairs, Department of State of United States.
Hourani, Akram, chef du Partie socialist de Syrie.	Hourani, Akram, Socialist leader in Syria.
Howe, C.D., ministre du Commerce et ministre de la Production pour la défense.	Howe, C.D., Minister of Trade and Commerce and Minister of Defence Production.

HUMPHREY, George M., secrétaire au Trésor des États-Unis.	HUMPHREY, George, Secretary of Treasury of United States.
HUSSEIN IBN TALAL, roi de Jordanie.	HUSSEIN IBN TALAL, King of Jordan.
IGNATIEFF, George, chef, 1ère Direction de liaison avec la Défense.	IGNATIEFF, George, Head, Defence Liaison (1) Division.
IKRAMULLAH, Begum Shaista, représentante, délégation du Pakistan auprès des Nations Unies.	IKRAMULLAH, Begum Shaista, Representative, Delegation of Pakistan to United Nations.
IKRAMULLAH Mohammed, haut-commissaire du Pakistan au Royaume-Uni.	IKRAMULLAH Mohammed, High Commissioner of Pakistan in United Kingdom.
ISMAY, lord, secrétaire général de l'OTAN (-avr. 1957).	ISMAY, Lord, Secretary-General, NATO (-Apr. 1957).
JACKSON, sir Robert, président, Commission préparatoire du Ghana sur le projet du fleuve Volta.	JACKSON, Sir Robert, Chairman, Volta River Project Preparatory Commission of Ghana.
JAMALI, Mohammed Fadil al-, représentant permanent d'Irak auprès des Nations Unies.	JAMALI, Mohammed Fadil al- , Permanent Representative of Iraq to United Nations.
JOHNSON, David M., commissaire, CISC, Vietnam (-avr. 1956); ambassadeur en Union Soviétique.	JOHNSON, David M., Commissioner, ICSC, Vietnam (-Apr. 1956); Ambassador in Soviet Union.
JOHNSTON, Eric, président, International Development Advisory Board, Administration de la coopération internationale des États-Unis.	JOHNSTON, Eric, Chairman of the International Development Advisory Board, International Cooperation Administration of United States.
JONASSON, Hermann, premier ministre d'Islande (juill. 1956-).	JONASSON, Hermann, Prime Minister of Iceland (July 1956-).
JONSSON, Emil, ministre des Affaires étrangères de l'Islande.	JONSSON, Emil, Foreign Minister of Iceland.
JORDAAN, Jan Ruiter, haut-commissaire par intérim d'Afrique du Sud au Royaume-Uni.	JORDAAN, Jan Ruiter, Acting High Commissioner of South Africa in United Kingdom.
JUIN, Alphonse P., maréchal de France et commandant en chef, Forces terrestres alliées, Europe centrale.	JUIN, Alphonse P., Marshal of France and Commander-in-Chief, Allied Land Forces Central Europe.
KAMMHUBER, lieutenant-général Josef, chef des Forces aériennes de la République fédérale d'Allemagne (sept 1956-).	KAMMHUBER, Lt. Gen. Josef, Chief of the Air Force, Federal Republic of Germany (Sept 1956-).
KARAMANLIS, Constantinos, premier ministre de la Grèce.	KARAMANLIS, Constantinos, Prime Minister of Greece.
KARAOLIS, Michael, membre d'ENOS, exécuté le 10 mai 1956 pour avoir tué un policier.	KARAOLIS, Michael, member of ENOS, executed May 10, 1956 for killing a policeman.
KEEBLE, T.W., premier secrétaire et représentant du Bureau des Relations avec le Commonwealth, mission permanente du Royaume-Uni auprès des Nations Unies.	KEEBLE, T.W., First Secretary and Commonwealth Relations Office Representative, Permanent Mission of United Kingdom to United Nations.
KEYFITZ, Nathan, statisticien, Bureau fédéral de la statistique et chef du Bureau de la coopération technique, Plan de Colombo.	KEYFITZ, Nathan, Statistician, Dominion Bureau of Statistics and Head of Bureau for Technical Cooperation, Colombo Plan.
KHAN, Mir, ambassadeur du Pakistan auprès des Nations Unies.	KHAN, Mir, Ambassador of Pakistan to United Nations.
KHROUCHTCHEV, N.S., premier secrétaire du Comité central du Parti communiste de l'Union soviétique.	KHRUSHCHEV, N.S., First Secretary of Central Committee of Communist Party of Soviet Union.

Kidd, George P., conseiller et chargé d'affaires, ambassade en Israël.	Kidd, George P., Counsellor and Chargé d'affaires, Embassy in Israel.
Kidron, Mordecai, représentant permanent de l'Israël auprès des Nations Unies.	Kidron, Mordecai, Permanent Representative of Israel to United Nations.
Kirkpatrick, sir Ivone, sous-secrétaire d'État permanent des Affaires étrangères du Royaume-Uni (-fév. 1957).	Kirkpatrick, Sir Ivone, Permanent Under-Secretary of State for Foreign Affairs of United Kingdom (-Feb. 1957).
Kitchen, George, correspondant, Presse canadienne, Washington.	Kitchen, George, correspondent, Canadian Press, Washington.
van Kleffens, Eelco Nicolas, représentant permanent des Pays-Bas, Conseil de l'Atlantique Nord.	van Kleffens, Eelco Nicolas, Permanent Representative of the Netherlands to North Atlantic Council.
Knowland, senateur W. (R.-Californie), délégation des États-Unis à l'Assemblée générale des Nations Unies.	Knowland, Senator W. (Rep.-California), Delegation of United States to United Nations General Assembly.
Knowles, Stanley, député, (FCC-Winnipeg-Nord-Centre).	Knowles, Stanley, M.P. (CCF-Winnipeg North Centre).
Körprülü, Fuat, ministre des Affaires étrangères de la Turquie (-juin 1956).	Körprülü, Fuat, Minister of Foreign Affairs of Turkey (-June 1956).
Kotschnig, Walter, représentant suppléant, délégation des États-Unis au Conseil économique et social des Nations Unies.	Kotschnig, Walter, Alternate Representative, Delegation of United States to ECOSOC.
Kouatly, voir al Quwatli, Shukri	Kouatly, see al Quwatli, Shukri
Kuznetsov, V.V., premier vice-ministre des Affaires étrangères de l'Union soviétique et chef, délégation de l'Union soviétique à l'Assemblée générale des Nations Unies.	Kuznetsov, V.V., First Deputy Minister of Foreign Affairs of Soviet Union and Head, Delegation of Soviet Union to United Nations General Assembly.
De Laboulaye, François, conseiller principal, délégation de la France auprès des Nations Unies.	De Laboulaye, François, Senior Adviser, Delegation of France to United Nations.
Lacoste, Francis, ambassadeur de la France.	Lacoste, Francis, Ambassador of France.
Laithwaite, sir John Gilbert, sous-secrétaire d'État permanent, Bureau des Relations avec le Commonwealth du Royaume-Uni.	Laithwaite, Sir John Gilbert, Permanent Under-Secretary of State for Commonwealth Relations of United Kingdom.
Lall, Arthur, représentant permanent de l'Inde auprès des Nations Unies.	Lall, Arthur, Permanent Representative of India to United Nations.
Lamontagne, Maurice, conseiller des Affaires économiques, Bureau du Conseil prive.	Lamontagne, Maurice, Economic Adviser, Privy Council Office.
Lange, Halvard M., ministre des Affaires étrangères de la Norvège.	Lange, Halvard M., Minister of Foreign Affairs of Norway.
Léger, Jules, sous-secrétaire d'État aux Affaires extérieures.	Léger, Jules, Under-Secretary of State for External Affairs.
Lennox-Boyd, Alan, secrétaire d'État du Royaume-Uni pour les Colonies.	Lennox-Boyd, Alan, Secretary of State for the Colonies of United Kingdom.
Lesage, Jean, ministre des Affaires du Nord et des Ressources nationales.	Lesage, Jean, Minister of Northern Affairs and National Resources.
Lim Yew Hock, ministre en chef de Singapour.	Lim Yew Hock, Chief Minister of Singapore.
Lloyd, John Selwyn, ministre de la Défense du Royaume-Uni (-jan. 1957); Foreign Secretary.	Lloyd, John Selwyn, Minister of Defence of United Kingdom (- Jan. 1957); Foreign Secretary.

LODGE, Henry Cabot, Jr., représentant permanent des États-Unis auprès des Nations Unies.	LODGE, Henry Cabot, Jr., Representative of United States to United Nations.
LOPER, Herbert, assistant au secrétaire de la Défense (Énergie atomique) des États-Unis.	LOPER, Herbert, Assistant to Secretary of Defense (Atomic Energy) of United States.
LOUTFI, Omar, représentant pemanent de l'Égypte auprès des Nations Unies.	LOUTFI, Omar, Permanent Representative of Egypt to United Nations.
LOUW, Eric, ministre des Affaires extérieures de l'Union d'Afrique du Sud.	LOUW, Eric, Minister of External Affairs of Union of South Africa.
LOW, Solon, député (chef, PCS, Peace-River).	LOW, Solon, M.P. (Leader, S.C. Party, Peace River).
LUCE, Henry, propriétaire, Time-Life-Fortune.	LUCE, Henry, Publisher, Time-Life-Fortune.
LUNS, Joseph, ministre des Affaires étrangères des Pays-Bas (conjointement avec Johan Beyen jusqu'en october 1956); ministre des Affaires étrangères.	LUNS, Joseph, Minister of Foreign Affairs of the Netherlands (concurrently with Johan Beyen until October 1956); Minister of Foreign Affairs thereafter.
MACARTHUR, Douglas Jr., conseiller, département d'État des États-Unis (-déc. 1956).	MACARTHUR, Douglas Jr., Counsellor, Department of State of United States (-Dec 1956).
MACDERMOT, T.W.L., ambassadeur en Grèce (-mars 1957).	MACDERMOT, T.W.L., Ambassador in Greece (-Mar. 1957).
MACDONALD, Malcolm, haut-commissaire du Royaume-Uni en Inde.	MACDONALD, Malcolm, High Commissioner of United Kingdom in India.
MACDONNELL, R.M., sous-secrétaire d'État suppléant aux Affaires extérieures.	MACDONNELL, R.M., Deputy Under-Secretary of State for External Affairs.
MACKAY, R.A., représentant permanent auprès des Nations Unies.	MACKAY, R.A., Permanent Representative to United Nations.
MACMILLAN, Harold, chancelier de l'Échiquier du Royaume-Uni (-jan. 1957); premier ministre.	MACMILLAN, Harold, Chancellor of the Exchequer of United Kingdom, (-Jan.1957); Prime Minister.
MAKARIOS, archevêque de Chypre.	MAKARIOS, Archbishop of Cyprus.
MAKINS, Sir Roger, ambassadeur du Royaume-Uni aux États-Unis (-oct. 1956); co-secrétaire permanent du Trésor.	MAKINS, Sir Roger, Ambassador of United Kingdom in United States, (-Oct. 1956); Joint Permanent Secretary of the Treasury.
MALANIA, Leo, assistant spécial du adjoint exécutif au secrétaire général des Nations Unies.	MALANIA, Leo, Special Assistant to Executive Assistant to Secretary General of United Nations.
MALIK, Charles, ministre des Affaires étrangères du Liban.	MALIK, Charles, Minister of Foreign Affairs of Lebanon.
MALIK, Y.A. ambassadeur de l'Union soviétique au Royaume-Uni et délégué à l'Assemblée générale des Nations Unies.	MALIK, Y.A., Ambassador of Soviet Union in United Kingdom and Delegate to United Nations General Assembly.
MALVERN, Lord, premier ministre de la Fédération de la Rhodésie et du Nyasaland.	MALVERN, Lord, Prime Minister of Federation of Rhodesia and Nyasaland.
MARLER, George C., ministre des Transports.	MARLER, George C., Minister of Transport.
MARSHALL, David S., premier ministre et ministre du Commerce et de l'Industrie du Singapour.	MARSHALL, David S., Chief Minister and Minister of Commerce and Industry of Singapore.
MARTIN, Paul, ministre de la Santé nationale et du Bien-être social.	MARTIN, Paul, Minister of National Health and Welfare.
MARTIN, W.R., secrétaire adjoint du Cabinet.	MARTIN, W.R., Assistant Secretary to Cabinet.
MARTINO, Gaetano, ministre des Affaires étrangères de l'Italie.	MARTINO, Gaetano, Minister of Foreign Affairs of Italy.

MATTESON, Robert E., directeur du personnel, Bureau du adjoint spécial au président des États-Unis (désarmament).	MATTESON, Robert E., Staff Director, Special Disarmament Staff of Special Assistant to President of United States on Disarmament.
MATTHEWS, W.D., sous-secrétaire d'État adjoint des Affaires extérieures.	MATTHEWS, W.D., Assistant Under-Secretary of State for External Affairs.
MAYER, Ernest, chef, Affaires de l'Europe du nord, département d'État des États-Unis.	MAYER, Ernest, Officer-in-Charge, Northern European Affairs, Department of State of United States.
MCBRIDE, sir Philip, ministre de la Défense de l'Australie.	MCBRIDE, Sir Philip, Minister of Defence of Australia.
MCCARDLE, J.J., 1ère Direction de liaison avec la Défense.	MCCARDLE, J.J., Defence Liaison (1) Division.
MCCLOY, John J., président du conseil d'administration de la Chase Manhattan Bank et ambassadeur itinérant des États-Unis.	MCCLOY, John J., Chairman of the Board of Chase Manhattan Bank and Roving Ambassador of United States.
MCCOOK, J., journaliste, *Ottawa Journal* (-juin 1956).	MCCOOK, J., reporter, *Ottawa Journal* (-June 1956).
MCCORDICK, J.A., premier secrétaire, ambassade en Espagne (-juin 1956); 1ère Direction de liaison avec la Défense.	MCCORDICK, J.A., First Secretary, Embassy in Spain (-June 1956); Defence Liaison (1) Division.
MCGAUGHEY, C.E., premier secrétaire, haut-commissariat en Inde.	MCGAUGHEY, C.E., First Secretary, High Commission in India.
MCGILL, A.S., adjoint spécial du secrétaire d'État aux Affaires extérieures.	MCGILL, A.S., Special Assistant to Secretary of State for External Affairs.
MCINNES, G.C., Direction du Commonwealth et du Moyen-Orient.	MCINNES, G.C., Commonwealth and Middle East Division.
MCINTOSH, A.D., secrétaire du ministère des Affaires étrangères de Nouvelle-Zélande.	MCINTOSH, A.D., Secretary of Department of External Affairs of New Zealand.
MCINTOSH, David, journaliste, *Montreal Gazette*.	MCINTOSH, David, Journalist, *Montreal Gazette*.
MCINTOSH, L.M., secrétaire du secrétaire d'État aux Affaires extérieures.	MCINTOSH, L.M., Secretary to Secretary of State for External Affairs.
MEEKER, Leonard, conseiller juridique adjoint aux Affaires des Nations Unies, département d'État des États-Unis.	MEEKER, Leonard, Assistant Legal Adviser for United Nations Affairs, Department of State of United States.
MEIER (MEYERSON), Golda, ministre des Affaires étrangères d'Israël (juin 1956-).	MEIER (MEYERSON), Golda, Foreign Minister of Israel (June 1956-).
MELAS, Michel, représentant permanent de la Grèce, Conseil de l'Atlantique Nord (mars 1956-).	MELAS, Michel, Permanent Representative of Greece to North Atlantic Council (Mar. 1956-).
MENDERES, Adnan, ministre des Affaires étrangères de la Turquie.	MENDERES, Adnan, Foreign Minister of Turkey.
MENDÈS-FRANCE, Pierre, ministre de la France sans portefeuille (-mai 1956).	MENDÈS-FRANCE, Pierre, Minister without Portfolio of France (-May 1956).
MENON, V.K. Krishna, ministre de l'Inde sans portefeuille (-déc. 1956) et chef de la délégation de l'Inde à l'Assemblée générale des Nations Unies; ministre de la Défense.	MENON, V.K. Krishna, Minister without Portfolio, India (-Dec. 1956) and Chairman of Indian Delegation to United Nations General Assembly; Minister of Defence.
MENZIES, Robert, premier ministre de l'Australie.	MENZIES, Robert, Prime Minister of Australia.

Merchant, Livingston, secrétaire d'État adjoint aux Affaires européennes, département d'État des États-Unis (-juil. 1956); ambassadeur des États-Unis.	Merchant, Livingston, Assistant Secretary of State for European Affairs, Department of State of United States (-July 1956); Ambassador of United States.
Miller, maréchal de l'Air F.R., sous-ministre de la Défense nationale.	Miller, Air Marshal F.R., Deputy Minister of National Defence.
Miller, sir Frederick Robert Hoyer, ambassadeur du Royaume-Uni en République fédérale d'Allemagne (fév. 1957); sous-secrétaire permanent au ministère des Affaires extérieures.	Miller, Sir Frederick Robert Hoyer, Ambassador of United Kingdom in Federal Republic of Germany (- Feb 1957); Permanent Under-Secretary of Foreign Office.
Minifie, Don, correspondant, *Toronto Telegram* et Société Radio Canada, Washington.	Minifie, Don, correspondent, *Toronto Telegram* and CBC, Washington.
Moch, Jules, délégué permanent de la France à la Commission pour le désarmement des Nations Unies.	Moch, Jules, Permanent Delegate of France to United Nations Disarmament Commission.
Mollet, Guy, premier ministre de France (janv. 1956-juin 1957).	Mollet, Guy, Prime Minister of France (Jan. 1956-June 1957).
Molotov, V.M., ministre des Affaires étrangères de l'Union soviétique et premier vice-président du Conseil des ministres.	Molotov, V.M., Minister of Foreign Affairs of Soviet Union and First Deputy Chairman of Council of Ministers.
Monckton, sir Walter, ministre de la Défense nationale du Royaume-Uni (-oct. 1956); trésorier-payeur de l'Échiquier (-janv. 1957).	Monckton, Sir Walter, Minister of Defence of United Kingdom (-Oct. 1956); Paymaster—General (-Jan. 1957).
Monk, R.C., ministère des Finances.	Monk, R.C., Department of Finance.
Montgomery, vicomte, commandant suprême adjoint des Forces alliées, OTAN.	Montgomery, Viscount, Deputy Supreme Allied Commander, NATO.
Moran, Herbert, ambassadeur en Turquie.	Moran, Herbert, Ambassador in Turkey.
Mountbatten, comte, premier lord de l'Amirauté du Royaume-Uni.	Mountbatten, Earl, First Sea Lord of United Kingdom.
Muccio, John J., ambassadeur des États-Unis en Islande.	Muccio, John J., Ambassador of United States in Iceland.
Munro, L.K., ambassadeur de la Nouvelle-Zélande aux États-Unis et représentant permanent auprès des Nations Unies.	Munro, L.K., Ambassador of New Zealand in United States and Permanent Representative to United Nations.
Murphy, Robert, sous-secrétaire d'État suppléant, département d'État des États-Unis.	Murphy, Robert, Deputy Under Secretary of State, Department of State of United States.
Murray, Geoffrey, conseiller, mission permanente auprès des Nations Unies.	Murray, Geoffrey, Adviser, Permanent Mission to United Nations.
Murray, R.W., Direction du Commonwealth et du Moyen-Orient.	Murray, R.W., Commonwealth and Middle East Division.
Nabulsi, Suleiman, premier ministre de la Jordanie.	Nabulsi, Suleiman, Prime Minister of Jordan.
Narasimhan, C.V., secrétaire exécutif, Comité économique des Nations Unies pour l'Asie et l'Extrême-Orient.	Narasimhan, C.V., Executive Secretary, United Nations Economic Committee for Asia and the Far East.
Nasser, colonel Gamal Abdel, premier ministre de l'Égypte (-juin 1956); président.	Nasser, Colonel Gamal Abdel, Prime Minister of Egypt (-June 1956); President.
Neguib, général Mohamed, ancien président de l'Égypte (juin 1953-déc. 1954).	Neguib, General Mohamed, former President of Egypt (June 1953-Dec. 1954).
Nehru, Pandit Jawaharlal, premier ministre de l'Inde.	Nehru, Pandit Jawaharlal, Prime Minister of India.

Nervo, Luis, voir Padillo Nervo, Luis.

Nesbitt, W.B., député (CP, Oxford).

Nkrumah, Kwame, premier ministre de la Côte de l'Or (-mars 1957); président du Ghana.

Noble, commandant sir Allan, sous-secrétaire d'État du Royaume-Uni aux Relations avec le Commonwealth (-nov. 1956); ministre d'État aux Affaires étrangères.

Noon, Firoz Khan, ministre des Affaires étrangères du Pakistan (sept. 1956-).

Norman, Herbert, ambassadeur en Égypte (août 1956-4 avr. 1957).

Norstad, général Lauris, adjoint Air de l'état-major, Grand quartier général des puissances alliées en Europe, OTAN (-nov. 56); commandant suprême des Forces alliées en Europe.

Nuri, Said, premier ministre de l'Irak.

Nutt, J.S., Direction juridique.

Nutting, Anthony, ministre d'État aux Affaires étrangères du Royaume-Uni (-oct. 1956).

Nye, sir Archibald, haut-commissaire du Royaume-Uni (-nov. 1956).

Ofori-Atta, A.E.A., ministre du gouvernement local du Ghana.

Ordonneau, Pierre, délégation de la France à l'Assemblée générale des Nations Unies.

Ormsby-Gore, David, sous-secrétaire d'État parlementaire aux Affaires étrangères du Royaume-Uni (nov. 1956-jan. 1957); ministre d'État aux Affaires étrangères.

Padillo Nervo, Luis, secrétaire d'État aux Affaires étrangères du Mexique.

Pallett, John, député (CP, Peel).

Palmer, P.E., expert du Plan de Colombo.

Pandit, madame Vijaya Lakshmi, haut-commissaire de l'Inde au Royaume-Uni et ambassadeur en Irlande.

Parodi, Alexandre, ambassadeur et représentant permanent de la France, Conseil de l'Atlantique Nord.

Patel, I.G., président, Comité du questionnaire, Commission consultative du Plan de Colombo (Inde).

Patriarche, cdre/air V.H., chef de l'instruction, ARC.

Pearson, Lester B., secrétaire d'État aux Affaires extérieures et chef de la délégation à l'Assemblée générale des Nations Unies.

Perkins, George, représentant permanent des États-Unis, Conseil de l'Atlantique Nord.

Nervo, Luis, see Padillo Nervo, Luis.

Nesbitt, W.B., M.P. (PC, Oxford).

Nkrumah, Kwame, Prime Minister of Gold Coast (-Mar. 1957); President of Ghana.

Noble, Commander Sir Allan, Under-Secretary of State for Commonwealth Relations of United Kingdom (-Nov. 1956); Minister of State for Foreign Affairs.

Noon, Firoz Khan, Foreign Minister of Pakistan (Sept.1956-).

Norman, Herbert, Ambassador in Egypt (Aug. 1956-April 4, 1957).

Norstad, General Lauris, Air Deputy, Supreme Headquarters, Allied Powers in Europe, NATO (-Nov 56); Supreme Allied Commander in Europe.

Nuri, Said, Prime Minister of Iraq.

Nutt, J.S., Legal Division.

Nutting, Anthony, Minister of State for Foreign Affairs of United Kingdom (-Oct. 1956).

Nye, Sir Archibald, High Commissioner of United Kingdom (-Nov. 1956).

Ofori-Atta, A.E.A., Minister of Local Government of Ghana.

Ordonneau, Pierre, Delegation of France to United Nations General Assembly.

Ormsby-Gore, David, Parliamentary Under-Secretary of State for Foreign Affairs of United Kingdom (Nov. 1956-Jan. 1957); Minister of State for Foreign Affairs

Padillo Nervo, Luis, Secretary of State for Foreign Affairs of Mexico.

Pallett, John, M.P. (PC, Peel).

Palmer, P.E., Colombo Plan expert.

Pandit, Madame Vijaya Lakshmi, High Commissioner of India in United Kingdom and Ambassdor in Ireland.

Parodi, Alexandre, Ambassador and Permanent Representative of France to North Atlantic Council.

Patel, Dr. I.G., Chairman, Committee on Form of the Questionnaire, Colombo Plan Consultative Committee (India).

Patriarche, A/C V.H., Chief of Training, RCAF.

Pearson, Lester B., Secretary of State for External Affairs and Chairman, Delegation to United Nations General Assembly.

Perkins, George, Permanent Representative of United States to North Atlantic Council.

PHLEGER, Herman, conseiller juridique, département d'État des États-Unis.	PHLEGER, Herman, Legal Adviser, Department of State of United States.
PICKERSGILL, J.W., ministre de la Citoyenneté et de l'Immigration.	PICKERSGILL, J.W., Minister of Citizenship and Immigration.
PICOT, voir Georges-Picot, Guillaume.	PICOT, see Georges-Picot, Guillaume.
PIERCE, S.D., haut-commissaire suppléant au Royaume-Uni.	PIERCE, S.D., Deputy High Commissioner in United Kingdom.
PILLAI, sir R.N., secrétaire général, ministère des Affaires extérieures de l'Inde.	PILLAI, Sir R.N., Secretary-General, Ministry of External Affairs of India.
PINARD, Roch, secrétaire d'État.	PINARD, Roch, Secretary of State.
PINAY, Antoine, ministre des Affaires étrangères de la France (-jan. 1956).	PINAY, Antoine, Minister of Foreign Affairs of France (-Jan 56).
PINEAU, Christian, ministre des Affaires étrangères de France (fév. 1956-).	PINEAU, Christian, Minister of Foreign Affairs of France (Feb 56-).
PINK, Ivor, sous-secrétaire d'État adjoint, Foreign Office du Royaume-Uni.	PINK, Ivor, Assistant Under- Secretary of State, Foreign Office of United Kingdom.
PLOWDEN, sir Edwin, président, Atomic Energy Authority du Royaume-Uni.	PLOWDEN, Sir Edwin, President, Atomic Energy Authority of United Kingdom.
PLUMPTRE, A.F.W., sous-ministre adjoint, ministère des Finances.	PLUMPTRE, A.F.W., Assistant Deputy Minister, Department of Finance.
POLLOCK, Sidney, représentant suppléant, délégation à l'Assemblée générale des Nations Unies.	POLLOCK, Sidney, Alternate Representative, Delegation to United Nations General Assembly.
POWELL, sir Richard, sous-secrétaire, ministère de la Défense du Royaume-Uni (jusqu'en 1956); secrétaire permanent, ministère de la Défense.	POWELL, Sir Richard, Deputy Secretary, Ministry of Defence of United Kingdom (to 1956); Permanent Secretary, Ministry of Defence.
PRITCHARD, Neil, haut-commissaire suppléant du Royaume-Uni (-avr. 1957).	PRITCHARD, Neil, Deputy High Commissioner of United Kingdom (-Apr 1957).
PROTITCH, Dragoslav, sous-secrétaire, département des Affaires émanant de la Commission de politique et de sécurité, Secrétariat des Nations Unies, et représentant du secrétaire général au sous-comité de la Commission du désarmement des Nations Unies.	PROTITCH, Dragoslav, Under-Secretary, Department of Political and Security Council Affairs, United Nations Secretariat, and Representative of Secretary-General at Sub-committee of United Nations Disarmament Commission.
PRUDHAM, George, ministre des Mines et Relevés techniques et envoyé spécial au Ghana.	PRUDHAM, George, Minister of Mines and Technical Surveys and Special Envoy to Ghana.
QUARLES, Donald A., secrétaire des Forces aériennes des États-Unis (-avr. 1957).	QUARLES, Donald A., Secretary of Air Force of United States (-April 1957).
QUIST, sir Emmanuel, président de l'Assemblée législative du Ghana.	QUIST, Sir Emmanuel, Speaker of Legislative Assembly of Ghana.
AL-QUWATLI, Shukri, président de la Syrie (août 1955-).	AL-QUWATLI, Shukri, President of Syria (Aug.1955-).
RADCLIFFE, lord, commissaire à la constitution du Royaume-Uni à Chypre.	RADCLIFFE, Lord, Constitutional Commissioner of United Kingdom for Cyprus.
RADFORD, amiral A.W., président, Comité des chefs d'état-major des États-Unis.	RADFORD, Admiral A.W., Chairman, Joint Chiefs of Staff of United States.
RAE, Saul, ministre, ambassade aux États-Unis (oct. 1956-).	RAE, Saul, Minister, Embassy in United States (Oct. 1956-).
RAFAEL, Gideon, délégation d'Israël auprès des Nations Unies.	RAFAEL, Gideon, Delegation of Israel to United Nations.

RAMSBOTHAM, Peter Edward, premier secrétaire, mission permanente du Royaume-Uni auprès des Nations Unies (-juin 1957).	RAMSBOTHAM, Peter Edward, First Secretary, Permanent Mission of United Kingdom to United Nations (-June 1957).
RASMINSKY, Louis, sous-gouverneur de la Banque du Canada et directeur exécutif canadien, Fonds monétaire international.	RASMINSKY, Louis, Deputy Governor of Bank of Canada and Canadian Executive Director, IMF.
RAYMONT, colonel Robert Lewis, second du président du Comité des chefs d'état-major (juil. 1956-).	RAYMONT, Col. Robert Lewis, Executive Officer to Chairman of Chiefs of Staff (July 1956-).
READING, lord, ministre d'État aux Affaires étrangères du Royaume-Uni (-janv. 1957).	READING, Lord, Minister of State for Foreign Affairs of United Kingdom (-Jan. 1957).
REID, Escott, haut-commissaire en Inde.	REID, Escott, High Commissioner in India.
REWINKEL, Milton C., conseiller, ambassade des États-Unis.	REWINKEL, Milton C., Counsellor, Embassy of United States.
RICKETS, contre-amiral Claude V., adjoint spécial au chef adjoint des opérations navales des États-Unis (-mai 1957).	RICKETS, Rear Admiral Claude V., Special Assistant to Deputy Chief of Naval Operations of United States (-May 1957).
RITCHIE, A.E., chef, Direction économique (-déc. 1956); conseiller économique, ambassade aux États-Unis.	RITCHIE, A.E., Head, Economic Division (-Dec 1956); Economic Counsellor, Embassy in United States.
RITCHIE, C.S.A., ambassadeur en République fédérale d'Allemagne.	RITCHIE, C.S.A., Ambassador in Federal Republic of Germany.
ROBERTS, sir Frank, représentant permanent du Royaume-Uni, Conseil de l'Atlantique Nord (fév. 1957-).	ROBERTS, Sir Frank, Permanent Representative of United Kingdom to North Atlantic Council (Feb 1957-).
ROBERTS, Chalmers, correspondant, *Washington Post*.	ROBERTS, Chalmers, correspondent, *Washington Post*.
ROBERTSON, N.A., haut-commissaire au Royaume-Uni (-avr. 1957); ambassadeur aux États-Unis.	ROBERTSON, N.A., High Commissioner in United Kingdom (-Apr. 1957); Ambassador in United States.
ROBERTSON, Walter S., secrétaire adjoint aux Affaires de l'Extrême-Orient, département d'État des États-Unis.	ROBERTSON, Walter S., Assistant Secretary for Far Eastern Affairs, Department of State of United States.
ROBINSON, H.B., Direction du Commonwealth et du Moyen-Orient.	ROBINSON, H.B., Commonwealth and Middle East Division.
ROCKWELL, Stuart, Bureau des Affaires du Proche-Orient, département d'État des États-Unis.	ROCKWELL, Stuart, Office of Near Eastern Affairs, Department of State of United States.
ROGERS, R.L., ministère des Affaires extérieures.	ROGERS, R.L., Department of External Affairs.
RONNING, Chester A., ambassadeur en Norvège et en Islande.	RONNING, Chester A., Ambassador in Norway and Iceland.
ROPER, J.C.A., premier secrétaire, ambassade du Royaume-Uni aux États-Unis.	ROPER, J.C.A., First Secretary, Embassy of United Kingdom in United States.
ROSS, Robin, premier secrétaire, haut-commissariat du Royaume-Uni.	ROSS, Robin, First Secretary, High Commission of United Kingdom.
ROUNTREE, William M., sous-secrétaire d'État adjoint au Proche-Orient, à l'Asie du Sud et à l'Afrique, département d'État des États-Unis (août 1956-).	ROUNTREE, William M., Deputy Assistant Secretary of State for Near Eastern, South Asian and African Affairs, Department of State of United States(Aug. 1956-).
ROWAN, sir Leslie, Conseil du Trésor du Royaume-Uni.	ROWAN, Sir Leslie, Treasury Board of United Kingdom.

Ruiz Cortines, Adolfo, président du Mexique.	Ruiz Cortines, Adolfo, President of Mexico.
Sabry, Ali, directeur du Renseignement pour les relations avec l'extérieur de l'Égypte (juin 1956-mai 1957).	Sabry, Ali, Director of Intelligence for External Activities, Egypt (June 1956- May 1957).
Saint-Laurent, Louis S., premier ministre.	St-Laurent, Louis S., Prime Minister.
Salam, Saeb, ancien premier ministre du Liban (1952 et 1953).	Salam, Saeb, Former Prime Minister of Lebanon (1952 and 1953).
Salisbury, lord, lord président du Conseil du Royaume-Uni (-mars 1957).	Salisbury, Lord, Lord President of the Council of the United Kingdom (-Mar. 1957).
Salmon, colonel Katriel, attaché de défense, ambassade d'Israël.	Salmon, Colonel Katriel, Military Attaché, Embassy of Israel.
Sandler, Richard, délégation de la Suède auprès des Nations Unies.	Sandler, Richard, Delegation of Sweden to United Nations.
Sandys, Duncan, ministre du Logement et du gouvernement local du Royaume-Uni (-jan. 1957); ministre de la Défense.	Sandys, Duncan, Minister of Housing and Local Government of United Kingdom (-Jan 1957); Minister of Defence.
Sarper, Selim, représentant de la Turquie auprès des Nations Unies.	Sarper, Selim, Representative of Turkey to United Nations.
Saud, ibn Abdal al-Aziz, roi d'Arabie saoudite.	Saud, ibn Abdal al-Aziz, King of Saudi Arabia.
Schurmann, Carl, ambassadeur et représentant permanent des Pays-Bas auprès des Nations Unies.	Schurmann, Carl, Ambassador and Permanent Representative of the Netherlands to United Nations.
Scott, S.M., haut-commissaire au Pakistan (-fév. 1957).	Scott, S.M., High Commissioner in Pakistan (-Feb. 1957).
Serraj, lieutenant-colonel Abdel, commandant du Renseignement militaire, armée de la Syrie.	Serraj, Lt.-Col. Abdel, Military Intelligence Commander, Army of Syria.
Shafqat, Mahmood, délégation du Pakistan auprès des Nations Unies.	Shafqat, Mahmood, Delegation of Pakistan to United Nations.
Sharett, Moshe, ministère des Affaires étrangères d'Israël (-juin 1956).	Sharett, Moshe, Foreign Minister of Israel (-June 1956).
Sheldon, Huntingdon, directeur adjoint du Renseignement de situation, Central Intelligence Agency des États-Unis.	Sheldon, Huntingdon, Assistant Director for Current Intelligence, Central Intelligence Agency of United States.
Shepilov, Dmitri Trofimovich, ministre des Affaires étrangères de l'Union soviétique (juin 1956-fév. 1957).	Shepilov, Dmitri Trofimovich, Minister of Foreign Affairs of Soviet Union (June 1956-Feb. 1957).
Shuckburgh, Charles, sous-secrétaire adjoint, Foreign Office du Royaume-Uni (-juin 1956).	Shuckburgh, Charles, Assistant Under-Secretary, Foreign Office of United Kingdom (-June 1956).
Sicotte, Gilles, Direction juridique.	Sicotte, Gilles, Legal Division.
Sinclair, James, ministre des Pêcheries.	Sinclair, James, Minister of Fisheries.
Sinclair, Adelaide, adjointe exécutive du sous-ministre de la Santé nationale et du Bien-être social et représentante auprès de l'UNICEF.	Sinclair, Adelaide, Executive Assistant to Deputy Minister of National Health and Welfare and Representative to UNICEF.
Skaug, Arne, ministre du Commerce de la Norvège, gouverneur de la Banque internationale pour la reconstruction et le développement et représentant en chef de la Norvège auprès de la Commission économique pour l'Europe des Nations Unies.	Skaug, Arne, Minister of Commerce of Norway, Governor, International Bank for Reconstruction and Development, and Chief Norwegian Representative on Economic Commission for Europe of United Nations.
Slater, voir Durnford-Slater.	Slater, see Durnford-Slater.

SLEMON, maréchal de l'Air C.R., chef d'état-major aérien.	SLEMON, Air Marshal C.R., Chief of Air Staff.
SMITH, Gerard, adjoint spécial au secrétaire d'État des États-Unis sur les questions atomiques.	SMITH, Gerard, Special Assistant for Atomic Affairs to Secretary of State of United States.
SOBOLEV, Arkadey A., représentant permanent de l'Union soviétique auprès des Nations Unies et délégué à l'Assemblée générale des Nations Unies.	SOBOLEV, Arkadey A., Permanent Representative of Soviet Union to United Nations and Delegate to United Nations General Assembly.
SOUTHWELL, C.A.P., ministre des Travaux publics et des Communications, Saint-Kitts-et-Nevis et Anguilla.	SOUTHWELL, C.A.P., Minister for Public Works and Communications, St. Kitts-Nevis-Anguilla.
SPAAK, Paul-Henri, ministre des Affaires étrangères de la Belgique (-mai 1957); secrétaire général de l'OTAN.	SPAAK, Paul-Henri, Minister of Foreign Affairs of Belgium (-May 1957); Secretary-General of NATO.
SPARLING, major-général H.A., président, état-major interarmes du Canada aux États-Unis.	SPARLING, Maj.-Gen. H.A., Chairman, Canadian Joint Staff in United States.
SPENDER, sir Percy, ambassadeur d'Australie aux États-Unis et chef suppléant, délégation d'Australie à l'Assemblée générale des Nations Unies.	SPENDER, Sir Percy, Ambassador of Australia in United States and Vice-Chairman, Delegation of Australia to United Nations General Assembly.
DE STAERCKE, André, représentant permanent de la Belgique, Conseil de l'Atlantique Nord.	DE STAERCKE, André, Permanent Representative of Belgium to North Atlantic Council.
STASSEN, Harold, adjoint spécial au président des États-Unis (désarmement).	STASSEN, Harold, Special Assistant to President of United States on Disarmament.
STEEL, sir Christopher, représentant permanent du Royaume-Uni, Conseil de l'Atlantique Nord (-fév. 1957).	STEEL, Sir Christopher, Permanent Representative of United Kingdom to North Atlantic Council (-Feb 1957).
STONE, W.F., deuxième secrétaire, ambassade en République fédérale d'Allemagne (-mars 1956); ministère des Affaires extérieures.	STONE, W.F., Second Secretary, Embassy in Federal Republic of Germany (-Mar.1956); Department of External Affairs.
STONER, O.G., Direction économique.	STONER, O.G., Economic Division.
STRATH, William, membre, Atomic Energy Authority du Royaume-Uni.	STRATH, William, Member, Atomic Energy Authority of United Kingdom.
STRIJDOM, J.G., premier ministre d'Afrique du Sud.	STRIJDOM, J.G., Prime Minister of South Africa.
STUART, R. Douglas, ambassadeur des États-Unis (-juin 1956).	STUART, R. Douglas, Ambassador of United States (- June 1956).
SUHRAWARDY, Huseyn Shaheed, premier ministre du Pakistan (sept. 1956-).	SUHRAWARDY, Huseyn Shaheed, Prime Minister of Pakistan (Sept. 1956-).
TAYLOR, D.R., deuxième secrétaire, ambassade aux États-Unis.	TAYLOR, D.R., Second Secretary, Embassy in United States.
TAYLOR, K.W., sous-ministre des Finances.	TAYLOR, K.W., Deputy Minister of Finance.
TEAKLES, J.M., conseiller, haut-commissariat en Inde (sept. 1956-).	TEAKLES, J.M., Counsellor, High Commission in India (Sept. 1956-).
THEOTOKIS, Spyros, ministre des Affaires étrangères de Grèce (-mai 1956).	THEOTOKIS, Spyros, Minister of Foreign Affairs of Greece (-May 1956).
THOMPSON, Tyler, ministre, ambassade des États-Unis.	THOMPSON, Tyler, Minister, Embassy of United States.
THORNEYCROFT, Peter, président, Chambre de commerce du Royaume-Uni (-janv. 1957); chancelier de l'Échiquier.	THORNEYCROFT, Peter, President, Board of Trade of United Kingdom (-Jan.1957); Chancellor of the Exchequer.

THORS, Olafur, premier ministre d'Islande (-juil. 1956).	THORS, Olafur, Prime Minister of Iceland (-July 1956).
TIMMONS, Benson E.L. III, directeur, Bureau des Affaires régionales européennes, département d'État des États-Unis.	TIMMONS, Benson E.L. III, Director of Office of European Regional Affairs, Department of State of United States.
TWINING, général Nathan F., chef d'état-major, USAF.	TWINING, General, Nathan F., Chief of Staff, USAF.
URQUIA, Miguel, délégation du Salvador auprès des Nations Unies.	URQUIA, Miguel, Delegation of El Salvador to United Nations.
URRUTIA, Francisco, représentant permanent de la Colombie à l'Assemblée générale des Nations Unies.	URRUTIA, Francisco, Permanent Representative of Colombia to United Nations General Assembly.
VARCOE, F.P., procureur général adjoint.	VARCOE, F.P., Deputy Attorney General.
VENTKATARAMAN, R., représentant de l'Inde, Cinquième comité de l'Assemblée générale des Nations Unies.	VENTKATARAMAN, R., Representative of India, Fifth Committee of United Nations General Assembly.
VEST, George, section des Affaires canadiennes, Direction des Affaires du Commonwealth, département d'État des États-Unis.	VEST, George, Canadian Desk, Office of Commonwealth Affairs, Department of State of United States.
DE VILLELUME, Paul, conseiller, ambassade de France.	DE VILLELUME, Paul, Counsellor, Embassy of France.
VITETTI, Leonardo, représentant permanent de l'Italie à l'Assemblée générale des Nations Unies.	VITETTI, Leonardo, Permanent Representative of Italy to United Nations General Assembly.
WADSWORTH, James A., représentant suppléant des États-Unis aux Nations Unies.	WADSWORTH, James A., Deputy Representative of United States to United Nations.
WALKER, E. Ronald., ambassadeur et représentant permanent d'Australie auprès des Nations Unies.	WALKER, E. Ronald., Ambassador and Permanent Representative of Australia to United Nations.
WALKER, John, correspondant, *Southam News*, Washington.	WALKER, John, correspondent, Southam News, Washington.
WAN WAITHAYAKON, prince K.N.B., ministre des Affaires étrangères de la Thaïlande; chef, délégation de la Thaïlande à l'Assemblée générale des Nations Unies et président de la 11^{e} Assemblée générale.	WAN WAITHAYAKON, Prince K.N.B., Minister of Foreign Affairs of Thailand, Head, Delegation of Thailand to United Nations General Assembly and President of 11th General Assembly.
WARREN, J.H., directeur exécutif canadien suppléant, Fonds monétaire international et Banque internationale de reconstruction et de développement (-mars 1957); conseiller, délégation à l'Organisation européenne de coopération économique, Paris (avr. 1957-).	WARREN, J.H., Alternate Canadian Executive Director, IMF and IBRD (-Mar. 1957); Counsellor, Delegation to OEEC, Paris (Apr. 1957-).
WATKINS, J.B.C., ambassadeur en Union soviétique (-avr. 1956); chef, Direction du Commonwealth et du Moyen-Orient.	WATKINS, J.B.C., Ambassador in Soviet Union (-April 1956); Head, Commonwealth and Middle East Division.
WEBB, sir Clifton, haut-commissaire de la Nouvelle-Zélande au Royaume-Uni.	WEBB, Sir Clifton, High Commissioner of New Zealand in United Kingdom.
WELBECK, N.A., ministre des Travaux du Ghana.	WELBECK, N.A., Minister of Works of Ghana.
WERSHOF, M.H., sous-secrétaire d'État adjoint aux Affaires extérieures et conseiller juridique.	WERSHOF, M.H., Assistant Under-Secretary of State for External Affairs and Legal Adviser.

WHEELER, brigadier général Raymond A., US Army Corps of Engineers (à la retraite); ingénieur-conseil à la Banque internationale pour la reconstruction et le développement.

WHITE, général Thomas D., chef d'état-major suppléant, USAF.

WILGRESS, L. D., représentant permanent auprès du Conseil de l'Atlantique Nord.

WILKINS, Fraser, directeur, Bureau des Affaires du Proche-Orient, département d'État des États-Unis.

WILLIAMS, major E.J., état-major interarmes canadien aux États-Unis.

WILLIAMS, Owen, président, groupe de travail préliminaire, Comité consultatif du Plan de Colombo (R.-U.).

WILSON, Charles, secrétaire à la Défense des États-Unis.

WINTERS, Robert, ministre des Travaux publics.

WRIGHT, Dennis, sous-secrétaire adjoint, Foreign Office du Royaume-Uni.

YAFEH, Aviad, deuxième secrétaire, ambassade d'Israël.

YINGLING, R.T., conseiller juridique adjoint, département d'État des États-Unis.

ZAMIATINE, Leonid M., premier secrétaire, mission permanente de l'Union soviétique auprès des Nations Unies et membre, délégation de l'Union soviétique à la Commission sur le désarmement.

ZEINEDDINE, Farid, ambassadeur de Syrie aux États-Unis et chef suppléant, délégation de la Syrie à l'Assemblée générale des Nations Unies.

ZORIN, Valentin A., ambassadeur de l'Union soviétique en République fédérale d'Allemagne.

WHEELER, Brigadier-General Raymond A., US Army Corps of Engineers (retired); engineering consultant to International Bank for Reconstruction and Development.

WHITE, General Thomas D., Deputy Chief of Staff, USAF.

WILGRESS, L. D., Permanent Representative to North Atlantic Council.

WILKINS, Fraser, Director, Office of Near Eastern Affairs, Department of State of United States.

WILLIAMS, Maj. E.J., Canadian Joint Staff in United States.

WILLIAMS, Owen, Chairman, Preliminary Working Group, Colombo Plan Consultative Committee (U.K.).

WILSON, Charles, Secretary of Defense of United States.

WINTERS, Robert, Minister of Public Works.

WRIGHT, Dennis, Assistant Under-Secretary, Foreign Office of United Kingdom.

YAFEH, Aviad, Second Secretary, Embassy of Israel.

YINGLING, R.T., Assistant Legal Adviser, Department of State of United States.

ZAMYATIN, Leonid M., First Secretary, Permanent Mission of Soviet Union to United Nations and member, Delegation of Soviet Union to Disarmament Commission.

ZEINEDDINE, Farid, Ambassador of Syria in United States and Vice Chairman, Delegation of Syria to United Nations General Assembly.

ZORIN, Valentin A., Ambassador of Soviet Union in Federal Republic of Germany.

ILLUSTRATIONS

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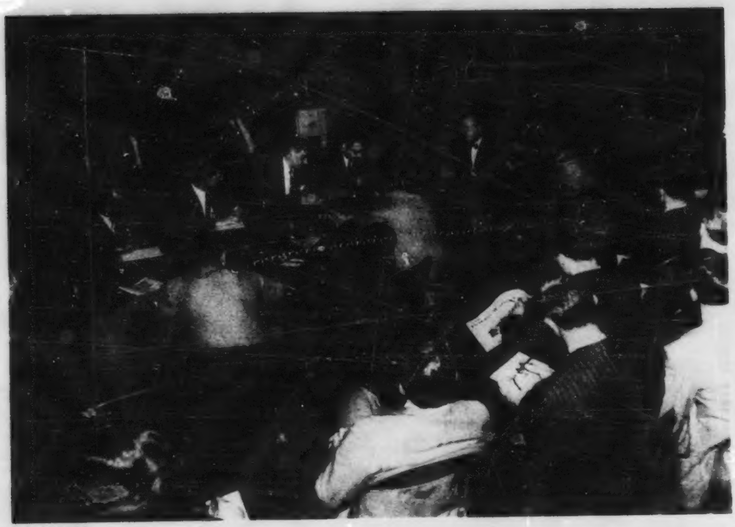
C 18964

Lester B. Pearson addressing the 11th Session of the UN General Assembly, November 19, 1956.

Lester B. Pearson prend la parole devant la 11^e session de l'Assemblée générale des Nations Unies, 19 novembre 1956.



PA 155559

Lester B. Pearson giving a press conference after Britain and France sent troops into Egypt, October 30, 1956.

Lester B. Pearson donne une conférence de presse après l'envoi de troupes en Égypte par l'Angleterre et la France le 30 octobre 1956.

PA 108139

Corporal Frank Walsh of the 1st Battalion, Queen's Own Rifles of Canada, preparing for UN peacekeeping duty in the Middle East, November 1956.

Le caporal Frank Walsh, du 1er bataillon des Queen's Own Rifles of Canada, se prépare à une mission de maintien de la paix au Moyen-Orient en novembre 1956.

UN 51397

UN Secretary-General Dag Hammarskjold (standing) reading a document with Lester B. Pearson at the UN Headquarters before the opening of the 11th UN General Assembly.

Le Secrétaire général de l'ONU Dag Hammarskjold (debout) lit un document en compagnie de Lester B. Pearson au Siège de l'ONU avant l'ouverture de la 11^{e} session de l'Assemblée générale.

PA 112766

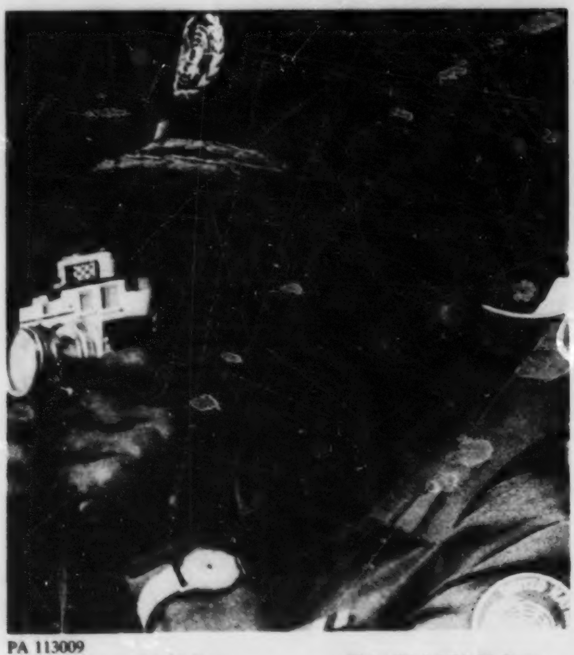
Elizabeth MacCallum, chargé d'affaires, Canadian Legation, Beirut, Lebanon

Elizabeth MacCallum, chargé d'affaires, légation du Canada, Beyrouth, Liban.

PA 117597

Canadian representatives at the 11th UN General Assembly, February 15, 1957. Left to right: John Holmes, Geoffrey Murray, R.A. MacKay, A.S. McGill, and Lester B. Pearson.

Les représentants du Canada à la 11^{e} session de l'Assemblée générale des Nations Unies le 15 février 1957. De gauche à droite : John Holmes, Geoffrey Murray, R.A. MacKay, A.S. McGill et Lester B. Pearson.



PA 113009

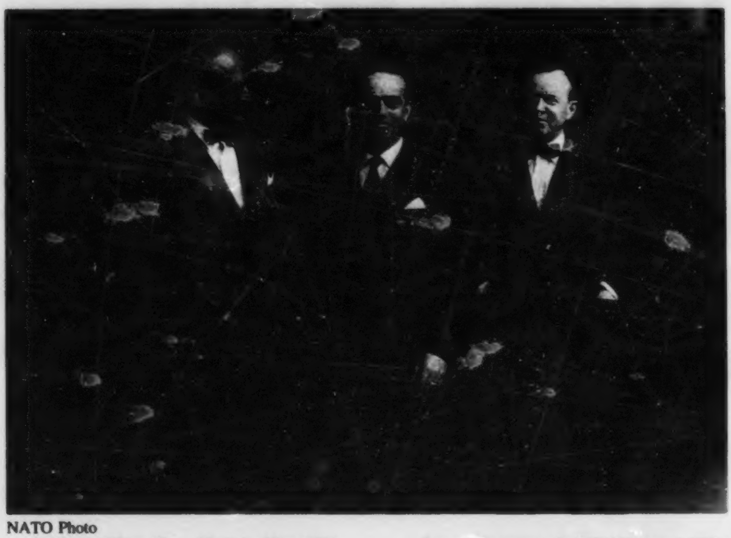
Major-General E.L.M. Burns.

Major-Général E.L.M. Burns.

C 76069

Lester B. Pearson (centre), is greeted on his arrival in Bonn for the first NATO ministerial meeting in West Germany by Canadian Ambassador Charles Ritchie (right), and Dr. Ernst-Guenther Mohr, West German chief of protocol. May 1, 1957.

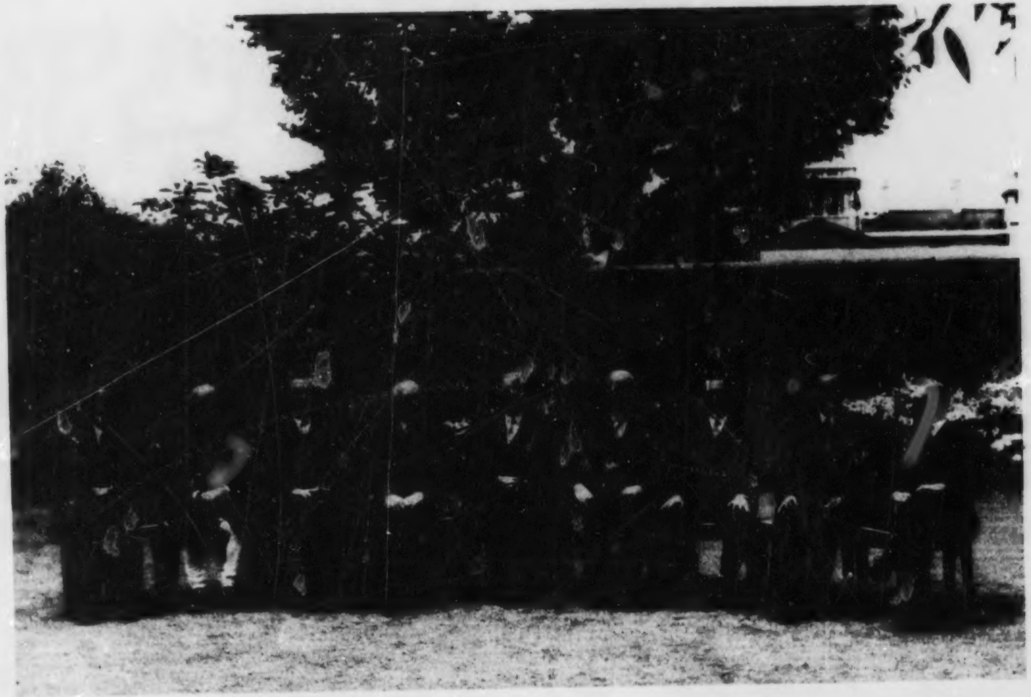
L'ambassadeur du Canada en Allemagne de l'Ouest, Charles Ritchie (à droite), et le Chef du protocole de ce pays, Ernst-Guenther Mohr, accueillent Lester B. Pearson (au centre) à son arrivée à Bonn pour la première réunion ministérielle de l'OTAN en Allemagne de l'Ouest le 1er mai 1957.



NATO Photo

NATO's "Three Wise Men" in May 1956: Halvard Lange (Norway), Gaetano Martino (Italy) and Lester B. Pearson.

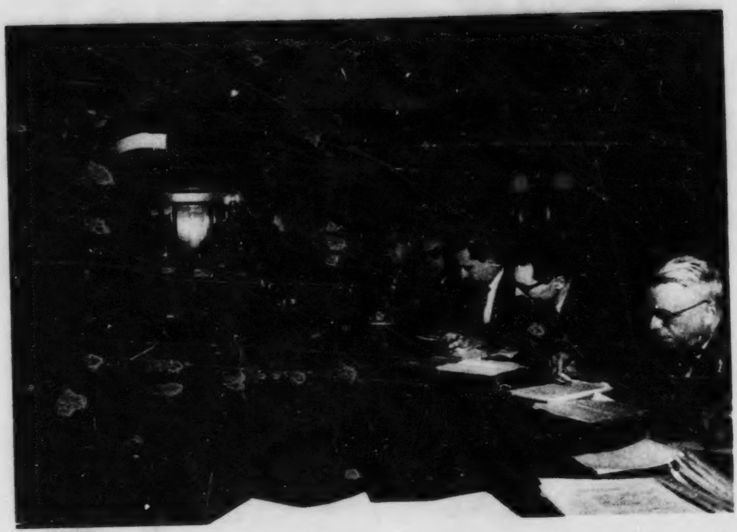
Les « trois sages » de l'OTAN en mai 1956 : Halvard Lange (Norvège), Gaetano Martino (Italie) et Lester B. Pearson.



PA 205657

At the Commonwealth Prime Ministers' Meeting in London, June-July, 1956. Left to right: Solomon Bandaranaike (Sri Lanka), Jawaharlal Nehru (India), Sydney Holland (New Zealand), Louis St. Laurent (Canada), Anthony Eden (United Kingdom), R.G. Menzies (Australia), J.G. Strijdom (South Africa), Mohammad Ali (Pakistan), and Lord Malvern (Federation of Rhodesia and Nyasaland).

Réunion des Premiers ministres du Commonwealth à Londres, juin-juillet 1956. De gauche à droite : Solomon Bandaranaike (Sri Lanka), Jawaharlal Nehru (Inde), Sydney Holland (Nouvelle-Zélande), Louis St-Laurent (Canada), Anthony Eden (Royaume-Uni), R.G. Menzies (Australie), J.G. Strijdom (Afrique du Sud), Mohammad Ali (Pakistan) et Lord Malvern (Fédération de la Rhodésie et du Niassaland).



PA 268882

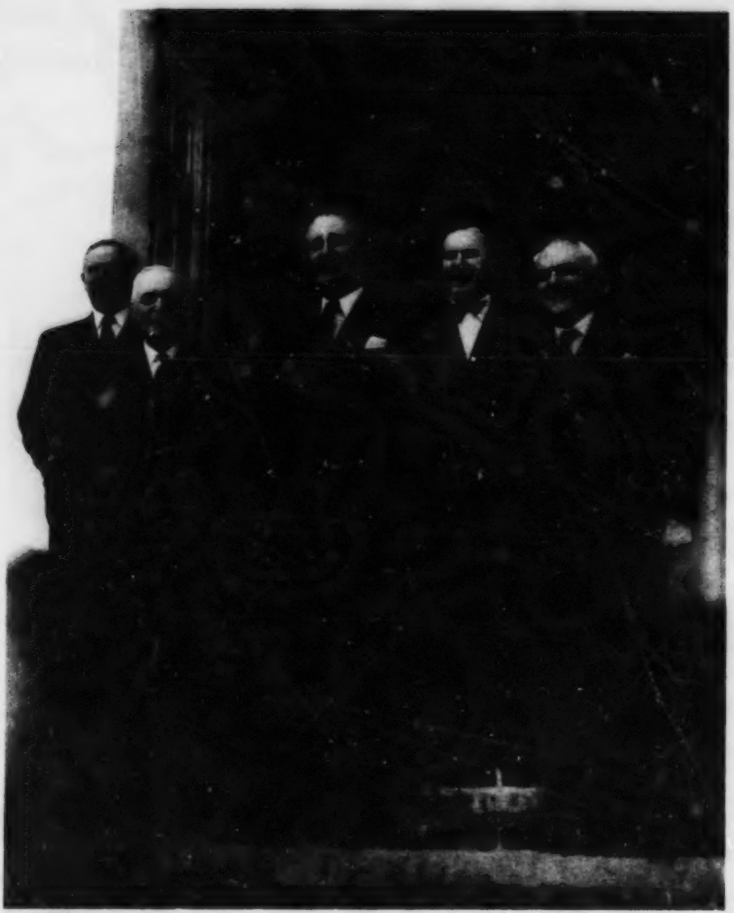
Prime Minister Jawaharlal Nehru of India addresses a press conference during his visit to Ottawa in December 1956.

Le Premier ministre Jawaharlal Nehru de l'Inde lors d'une conférence de presse pendant sa visite à Ottawa en décembre 1956.

PA 159582

The diesel engine "Ontario," supplied to Sri Lanka under the Colombo Plan by the Canadian Government, pulls into Mount Lavinia Station, Colombo, Sri Lanka.

La locomotive diesel « Ontario » fournie au Sri Lanka par le gouvernement du Canada dans le cadre du Plan Colombo entre à la gare de Mount Lavinia, à Colombo, au Sri Lanka.



PA 205656

Left to right: Selwyn Lloyd, Louis St. Laurent, Harold Macmillan, Lester B. Pearson, and C.D. Howe during the Anglo-Canadian meetings in Bermuda, March 1957.

De gauche à droite : Selwyn Lloyd, Louis St-Laurent, Harold Macmillan, Lester B. Pearson et C.D. Howe pendant les rencontres anglo-canadiennes aux Bermudes en mars 1957.

CHAPITRE PREMIER/CHAPTER I

LE MOYEN-ORIENT ET LA CRISE DE SUEZ
THE MIDDLE EAST AND THE SUEZ CRISIS

PREMIÈRE PARTIE/PART 1

MOYEN-ORIENT
MIDDLE EAST

SECTION A

RELATIONS ARABES-ISRAÉLIENNES
ARAB-ISRAELI RELATIONS

1. DEA/50134-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET [Ottawa], January 31, 1956

ISRAEL

At his own request, the Israeli Ambassador called on the Head of the Commonwealth and Middle East Division on the evening of January 30.

2. Mr. Comay began the interview by referring to his letter to you dated January 27 (copy attached)† and specifically to its third paragraph which alludes to "certain communications which have a bearing on the problem of Middle East peace and in which you might find considerable interest." Mr. Comay understood that it was not possible for you to see him until the External Affairs debate was over, but he thought that it might be useful to you to see the "communications" prior to your meeting with Sir Anthony Eden and Mr. Selwyn Lloyd.[1]

3. Mr. Comay said the "communications" consisted of an exchange of correspondence between Mr. Dulles and Mr. Sharett regarding the possibility of a formula for the solution of the boundary aspect of the Arab-Israeli dispute.[2] He said that the correspondence dealt with the problem in considerable detail, and that it was accompanied by marginal observations by Mr. Sharett and Mr. Eban.

4. Mr. Comay said that when he was in Washington he had asked Mr. Eban whether he could show this correspondence to you. Mr. Eban had said that he had no objection, pro-

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[1] Voir Chapitre 4, 3^e partie, section C(i).
See Chapter 4, Part 3, Section C(i).

[2] Voir/See United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume XIV, Washington D.C.: United States Government Printing Office, 1989, pp. 802-803, 823-825, 844-848, and 889, and Volume XV, Washington D.C.: United States Government Printing Office, 1989, pp. 26-27.

vided that Mr. Sharett's permission were secured. Mr. Comay telegraphed Mr. Sharett and obtained his permission. He added that, although this would exceed his instructions, he would have no objection to leaving the documents with you on a "see and return" basis.

5. Although he did not say so, we gained the impression that this initiative on Mr. Comay's part resulted from the favourable impression which was made upon him and upon Mr. Eban by your speech in the House on January 24.[3]

6. We undertook to pass this information on to you and said that we would ask you to give consideration to Mr. Comay's request for an interview. My own view is that it would be of advantage for you to receive Mr. Comay and to examine the documents which he described.

7. Mr. Comay then went on to say that various Opposition Members of Parliament had asked him for information on the Middle East. He gathered that it was for background purposes, for use in Party caucuses and in briefing Members to take part in debates. Mr. Comay mentioned specifically that he had received recent visits, seeking information, from Mr. Coldwell, Mr. Diefenbaker and Mr. Low. He said that he had prepared notes which he gave to these M.P.s, cautioning them that they were not for attribution and that they were for use as background only. He then handed us a copy of these background notes† (attached) explaining: "I want you to know what I'm doing." As you will observe, the paper is not identifiable as originating from the Israeli Embassy, and while it attempts to enlist sympathy for the Israeli cause, it is written without heat and appears to be a fairly rational presentation of the case — granted that it is from an Israeli standpoint.

8. Mr. Comay asked whether we had any objection to his distributing material of this kind. This was a difficult question to answer. Obviously it is propaganda for Israel in any discussion in the House; at the same time its measured terms and its anonymity appear to be within the bounds of propriety. We did not wish to give Mr. Comay the impression that there was any official Departmental sanction for actions of this kind; on the other hand we did not wish to give him the impression that we necessarily disapproved. We therefore confined ourselves to saying that the material appeared to be measured in its terms, anonymous as to source and that it presumably was open to the Egyptian Ambassador, if he so wished and was so approached, to take similar action. Mr. Comay agreed that it was.

9. Mr. Comay then said that he had "a hunch" that a movement was developing in the ranks of the Opposition in favour of an embargo on the export of arms to the Middle East, and perhaps of all arms; and that this movement reflected what he described as a "grass roots" upsurge of feeling among the people of Canada. He confessed that he was apprehensive of the results of such a movement to Israel and that this was why he had been prepared to give background notes to M.P.s. We said that we had gained the impression that, since your speech in the House of January 24, the movement in favour of an arms embargo had subsided. Mr. Comay said "I think it has, but I think it will be raised again." He made it clear that he was not referring to the interim embargo imposed by the Prime Minister pending a study of Canadian policy on the sale of arms, but to the possibility of a general embargo.[4]

J. L[ÉGER]

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[3] Voir Canada, Chambre des Communes, *Débats*, 1956, volume I, pp. 485-492.
See Canada, House of Commons, *Debates*, 1956, Volume I, pp. 462-469.

[4] Saint-Laurent a annoncé l'embargo provisoire le 20 janvier 1956. Voir Canada, Chambre des Communes, *Débats*, 1956, volume I, p. 360. Voir aussi document 12.
St. Laurent announced the interim embargo on January 20, 1956. See Canada, House of Commons, *Debates*, 1956, Volume I, p. 344. See also Document 12.

2. DEA/50134-40

La direction du Commonwealth et du Moyen-Orient
au sous-secrétaire d'État aux Affaires extérieures

Commonwealth and Middle East Division
to Under-Secretary of State for External Affairs

SECRET [Ottawa], February 3, 1956

CONVERSATION BETWEEN THE MINISTER AND THE AMBASSADOR OF ISRAEL

At noon today Mr. Comay, at his request, called upon Mr. Pearson.

2. Mr. Comay began the conversation by expressing appreciation for the Minister's forthright statements in the House during the recent debate, which had made clear that Israel would suffer from an embargo on arms shipments to the Middle East. He said that he had just received a cable from Mr. Sharett, in which the Foreign Minister of Israel had commended the Minister's discussion of the Arab-Israeli problem in his speech in the House on January 24. Mr. Comay also said he had heard that the Minister's speech had aroused considerable interest in Washington and New York.

3. Mr. Comay then turned to the matter about which he had visited the Department on January 30 and which was referred to in a memorandum to the Minister on January 31. He said that he had been authorized by Mr. Sharett, with the concurrence of the Israeli Ambassador in the United States, to show Mr. Pearson, on a personal and confidential basis, copies of certain exchanges which had taken place between the Israeli and United States governments on the matter of possible formulae for the solution of the boundary aspects of the Arab-Israeli dispute. This correspondence was accompanied by a personal letter from Mr. Comay containing some observations and explanations. Mr. Comay stressed the personal basis upon which he was leaving the papers with Mr. Pearson, because the matters which they dealt with had not been communicated by the Israeli Government to any government other than that of the United States. He thought that Mr. Pearson would like to know of their contents before his discussions with Sir Anthony Eden and Mr. Lloyd. He was unable to answer the Minister's query whether the British were aware of the substance of the exchanges between Israel and the United States.

4. The Ambassador said that the State Department had been pressing the Israelis to consider the possibility of providing for a link across the Negev between Jordan and Egypt by giving sovereignty to those countries over territorial wedges which would intersect at the apex. At this point there might be a sort of clover-leaf arrangement, which would prevent Israel from being completely out off from the Red Sea port of Elath. Mr. Comay said that Mr. Sharett does not consider such an arrangement to be practicable, since it would prevent the proper development of full facilities for the seaport of Elath. He reiterated that Israel would be prepared to grant suitable transit rights to the Arab countries.

5. Mr. Comay said that he had just been talking by telephone to the Israeli Ambassador in the United States. Mr. Eban had told him he believed that the article in today's issue of the *New York Times*, reporting on the U.K.-U.S. discussions on the Middle East in Washington, was fairly accurate. Indications were that there was now less interest in such matters as ultimate negotiation of border adjustments and more concern with immediate measures to be taken to prevent a renewal of hostilities. The practical difficulties in the way of an international police force for Palestine were also now being recognized. Mr. Pearson said that he appreciated, of course, the vital necessity of preventing the renewal of hostilities but he did not believe that the necessity for a general settlement should be

obscured. He wondered what further measures could be taken to prevent the outbreak of war, if the United Nations police force idea were not considered practicable.[5] Mr. Comay thought that a possibility being considered was that the governments of the United Kingdom, France and the United States should make it clear that they would intervene with armed forces against aggression. This would have the effect of protecting Israel with a security guarantee without putting it down on paper. Furthermore, it would allow quick action, should there be aggression, without depending on United Nations sanction, which would almost certainly be prevented by a Soviet veto. Mr. Pearson thought that action of this kind by Western countries, which by-passed the United Nations, would have serious implications, since it would lay the governments open to criticism that they had intervened from "imperialistic" motives without the approval of the United Nations. Mr. Comay agreed that this would be a difficulty.

6. The Israeli Ambassador went out of his way to make the point that United Kingdom policy in the Middle East was based on a consideration of particular British interests, which did not necessarily coincide with those of other Western powers. The Minister observed that the situation was so complex that it would be difficult for anyone to say what was the right thing to do. There was no doubt, however, that the recognition of the existence of the State of Israel was basic to any settlement. During the conversation reference was made to the annoyance of France at having been left out of the consultations on the Middle East.

7. Mr. Comay mentioned the subject of Israeli applications for arms from Canada. He said that he hoped the shipment of orders which had been approved could be expedited, now that the debate on External Affairs in the House had been concluded, and that certain pending applications could be approved. In the first category, he mentioned the 25 pounder ammunition and the machine guns. As to the second category, he said that he hoped it would be possible to ship more than twenty per month of the machine guns which had been ordered. (It had been agreed that 20 per month would be shipped but the Israelis have indicated before this that, for administrative reasons, they would like the monthly amount to be increased). Mr. Comay also hoped that approval could be given for 6 pounder anti-tank guns. Mr. Pearson replied that the matter of the moratorium on arms shipments to the Middle East was coming up for discussion by Cabinet. When a decision had been taken, we would be able to let the Israeli authorities know about the items which had already been approved. He reminded Mr. Comay that the 25 pounder shot had not been passed by Treasury Board and would have to come up again for formal approval. Mr. Comay repeated the hope that Canadian authorities would be notified immediately that the moratorium was lifted, so that consignments which were already on the docks could be shipped without further delay. The Minister reassured Mr. Comay on this point and said that appropriate authorities would be notified by telegram. Mr. Pearson said that he could not discuss future approvals of arms shipments until policy on this matter had been decided.[6]

8. The Israeli Ambassador expressed a wish to see the Minister again after a decision on the arms moratorium has been taken. He also said that he would be at the Minister's disposal, if any elucidations were required of the papers he had handed him. Mr. Pearson

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[5] L'idée a été discutée pendant les pourparlers anglo-américains et rapportée dans le *New York Times* le 1er février 1956.
This idea was discussed during the Anglo-American talks and reported in the *New York Times*, February 1, 1956.

[6] Voir/See Document 19.

thanked Mr. Comay for showing him, on a personal and confidential basis, the exchanges which had taken place between the Israeli and United States Governments.

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3. DEA/50134-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures[7]

Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs[7]

CONFIDENTIAL [Ottawa], March 8, 1956

WESTERN POLICY IN THE MIDDLE EAST

The situation in the Middle East is deteriorating at a dangerous rate, and as the present policies of the United Kingdom and the United States seem to be producing most unsatisfactory results it may be time to consider urgently desperate remedies. Is it perhaps time, therefore, for the United States, the United Kingdom, and France to consider inviting the Russians to sit down and reach agreement on a settlement of the Arab-Israeli question and possibly also broader questions of Middle Eastern policy? This was Sir Anthony Eden's initial view of how to handle the problem of Communist arms shipments, but it was not received at all well by the Americans, — and one might presume that it was also discouraged by those elements in the Foreign Office who dislike instinctively untraditional proposals, especially when they concern the Middle East.

2. There are obviously objections to such a proposal, even if the Americans could be persuaded to agree to it. The Russians might well be expected to exploit such an opportunity for negotiation unscrupulously on their own behalf, and cannot, of course, be relied upon to keep an agreement in good faith. It might be, furthermore, that to recognize their interests in the Middle East as legitimate would give them the respectability in that area they have been seeking. From the Canadian point of view, one of the main objections would be in principle to Great Power negotiation outside the United Nations — particularly when we have not the excuse which we have in the Far Eastern situation of the temporary necessity of including Peking. All these objections are valid, but it must be recalled that the alternative of non-cooperation with the Russians is proving bankrupt and just possibly leading to disaster. It is a question of which course has more dangers and disadvantages, not of which course is perfect. As our Anglo-American betters are now telling us, we live in a grey world.

3. It has been customary to dismiss any such suggestion by pointing out that it would open the door to Soviet infiltration in the Middle East. This argument seems hardly valid when the Soviet agents are already coming and there seems to be nothing to stop their arriving in large numbers everywhere from Syria to Liberia. We can't stop the Russians from taking a direct and active interest in the Middle East but it is conceivable that if their interests in the Middle East and Africa were to be placed within a framework of international understanding, or at least a bargain which they would have an interest in keeping, it might be less nefarious.

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[7] Note marginale :/Marginal note:
M. Holmes Je suis toujours surpris que vous trouvez le temps de penser ... et si clairement. Merci. J.L[éger].

4. The possibility of placing some control over Soviet economic activities might be found by exploring the ideas in which the Minister has been interested recently, by regularizing all programmes for aid and technical assistance and channelling them through the United Nations. By an invitation to the Soviet Union to collaborate in this way we might hope to identify such assistance and enforce certain rules. If the Soviet Union refused to collaborate, we should have made the nature of their aid clearer to the uncommitted countries.

5. As for the Communist arms shipments, which are the greatest immediate danger, the only possibility of controlling these would be through an agreement with the Russians on the terms of a settlement of the Arab-Israeli question. It may well be that the Communists do not want a settlement because they are profiting from the division of the Middle East. It is difficult to dispute this argument. On the other hand, there is the possibility that the Russians would be nervous about pushing the dispute to the point at which a war might start. This kind of caution seems to have pervaded their general world policy at the present time. Although their own statements must of course be looked upon with due scepticism, it might be noted that they have not shown themselves as quite 100% partisan in the Palestine issue. They have continued to insist that they do not want Israel to be destroyed and that all they are doing is using their influence to correct what they consider to be undue support of Israel by the United States.

6. It is difficult to dispute the right of a Great Power like the Soviet Union, situated as it is, to exercise at least as much influence in Middle Eastern politics as the United States. (One is very conscious of this if one attempts to argue this case with an Arab or a neutral.) The difference is of course that, however fumbling and selfish it may be in certain aspects, the policy of the Western Powers is fundamentally dedicated to peace and prosperity for the Middle East. The Russians have an equal right to benevolent intervention, but neither side has a right to use the area for its own malign purposes. We believe in Western intentions but a very large proportion of the world's population do not.

7. Whether we like it or not, the Russians are using their influence in the Middle East. This is a fact which we must recognize. The three Western Powers can encourage them to use their influence in an unscrupulous fashion by denying them a legitimate position or they can offer to sit down and strike a bargain in the hope that they can work if not in harmony at least not at cross-purposes. There is certainly no guarantee that the latter alternative would work, but there is plenty of evidence that the former has failed. The United States and the United Kingdom would in fact be doing nothing very different from what they did in Geneva in 1954, when they sat down with the Russians and Chinese Communists. They have tried collaboration with the Russians in Korea and in Germany and failed — possibly because the *status quo* remains acceptable. They did agree, however, on a bargain over Indo-China where the situation, as in the Middle East, was inflammable and both sides were extremely nervous of the consequences of fighting. Although we recognize the failure of the Communists to live up to the terms and spirit of the Geneva Agreements in Indo-China, we are agreed I think that as a military armistice it has been a success. Parallels are always dangerous but there may be enough of a parallel situation in the Middle East. We would not expect thereby to convert the Russians from their Communist aims and tactics any more than has happened in Indo-China, but we might hope to establish some kind of international discipline over competitive co-existence in the area.

8. One possibility that might be explored is the suggestion that an agreement with the Russians on the Middle East should be associated with the disarmament discussions. The British have at times shown an interest in proposals for experiments in disarmament in a

limited area. They had suggested Germany. The difficulty with Germany of course is that such enormous forces, both military and political, are involved and the issues are so critical that neither side is prepared for boldness. In the Middle East, however, although the situation is critical, it is nevertheless peripheral. At any rate, the armed forces involved are relatively small and the nations to be controlled relatively weak and without their own armament industries. A good deal of careful study would have to be given to such a proposal before it could be put forward, but is perhaps worthy of examination.

9. The idea of inviting the Russians to work out an agreed settlement is not one which is likely to be received warmly if it were put forward to the State Department or the Foreign Office. However, it is the kind of large gesture which might appeal to President Eisenhower. It would be in harmony with the kind of thinking he has shown in his letters to Bulganin and might even be included in his next correspondence with the Marshal. Even if it was not taken up by the Russians, such a gesture would have a tonic effect on the morale of the West, which is at a very low ebb. The peoples of the Western countries are not only discouraged, they are doubtful and confused about the rightness of the Western position in Israel, Jordan, Egypt, Cyprus and North Africa. The notes of protest being sounded recently by President Gronchi and M. Pineau are fair warning of the impatience generally felt with Anglo-American leadership. If the U.S. and the U.K. are to preserve their position of leadership (and however much we argue against an arrogant use of that position it is nevertheless in our interests to preserve it) they must produce new ideas, new conceptions, gestures of faith rather than merely re-hashing tired old clichés about Soviet policy. It is not good enough to go on talking about Soviet intentions never changing without probing the indications that the Russians are interested in striking bargains to assure a peaceful framework for co-existence.

10. If the Russians accepted a straightforward offer from President Eisenhower to reach agreement on a Middle Eastern settlement, and if the negotiations were to be at least as successful as those on Indo-China, then a step of incalculable significance might have been taken. From this agreement on one major issue we might proceed to establish a firmer basis for co-existence. (The danger is recognized that an effort of this kind which failed would probably leave the situation worse than it was before.) If the Russians refused the offer, then at any rate the moral position of the West would be considerably strengthened. (Although it must also be recognized that the Russians are masters of the art of accepting with unacceptable conditions which put the other side apparently in the wrong.)

11. This disorganized memorandum is intended merely to provoke further consideration. I have not even tried to suggest the basis of any settlement with the Russians, nor have I dealt with the extremely difficult problems of how any such negotiations would take place, whether they would be within a United Nations framework, or whether they would include the parties to the dispute. All these things are not mere details but matters which could prove to be insuperable obstacles. It would seem useful, however, to have the idea critically examined by those concerned within the Department. If, perchance, we can make something of it, it might be that the suggestion could be conveyed to the President direct at White Sulphur Springs.[8]

J.W. H[OLMES]

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[8] Voir Volume 23, Chapitre premier, 1ère partie.
See Volume 23, Chapter 1, Part 1.

4. DEA/50134-40

Note du chef de la Direction européenne
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Head, European Division,
to Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], March 14, 1956

THE MIDDLE EAST

I had been in the process of jotting down a few ideas on this subject when I received a copy of Mr. Holmes' memorandum on Western Policy in the Middle East. Instead of trying to comment on this directly I thought it would be better simply to finish my paper, even though it has been to a certain extent over-taken by events. In any event I am in general agreement with Mr. Holmes' thesis and the comments† thereon of Mr. Ignatieff.

2. The main points in my paper are:

(a) The Arab-Israeli quarrel is simply the most acute manifestation of the general problem of the evolution of the Arab world from colonial status;

(b) No progress can be made on the main problem until we solve the Palestine question;

(c) The Russians now hold the key and the only way to reach a solution is by trying to reach Four-Power agreement. The only time in the past ten years that any progress was possible in Palestine was during the brief period of Four-Power co-operation on this subject in 1947-48;

(d) The main lines of a settlement, which have already been laid down in essence by both Washington and London might also include the establishment of a free territory of Aqaba under U.N. supervision.

R.A.D. F[ORD]

[PIÈCE JOINTE/ENCLOSURE]

Note du chef de la Direction européenne

Memorandum by Head, European Division

CONFIDENTIAL Ottawa, March 13, 1956

THE MIDDLE EAST

1. The purpose of this study is to examine the basis for the oft-repeated claim that the Middle East has become in the last few months the most inflammable part of the world, to outline Canadian interest in the problem, and to make a few suggestions for trying to meet the situation.

2. There are a number of factors which make the problems of the Middle East particularly complex and difficult:

(a) The anti-Western, anti-colonial feeling in nearly all the countries of this area;

(b) The Arab-Israeli impasse;

(c) The economic and political backwardness of the region;

(d) The vulnerability of the area to Soviet political and economic penetration; and

(e) Its strategic importance.

3. We tend too often to think of the problems of this area in terms solely of the Arab-Israeli quarrel, but the latter has simply exacerbated and complicated difficulties which would exist if the Jewish state had never been created. It remains, however, as both a real and psychological block, and it is doubtful if we will be able to get down seriously to tackling these other tasks if we are unable to diminish, if not solve, the proportions of the problem of Israeli-Arab relations.

4. Arab nationalism is a relatively recent growth, or rather re-growth, and we should not deceive ourselves about its strength because it has lain dormant for so many centuries. It combines a pride in Arab culture, history and military and political prowess, with a deep-seated feeling of inferiority because of the centuries of foreign — Turkish and European — subjection. It is also linked with pan-Islamism which extends beyond the boundaries of the Arab world.

5. Arab nationalism is now directed against the Jews and the West, and one of our problems is to prevent the engulfment of Israel without giving the impression that the West is pro-Israel and anti-Arab. But the purely anti-colonial feeling cannot help but be directed increasingly against France and Britain, against the latter because of its colonial history in the Middle East, the vestiges of which still remain in Jordan, Iraq and the Saudi peninsula, and against France because of its history in Syria and Lebanon, and the clash with the North Africans. The United States is associated with these two colonial powers by implication and because of its oil investments. In spite of the rapid evolution of the colonial policies of the United Kingdom and France, it seems improbable for some time to come that we can lessen the anti-Western, anti-colonial feeling in the Arab countries, particularly if it is fanned by the Communists, and accentuated by the quarrel with Israel, unless some concrete steps are taken to distract the attention of the Arabs from these two essentially sterile pursuits.

6. The political instability of the Arab countries, and the feudal nature of some of the régimes, makes it increasingly difficult to do business with them. There is a crying need for every kind of economic development, with the possible exception of the Lebanon. There is a not inconsiderable amount of natural resources, but they are badly distributed, and the huge revenues from oil are not being used for the purposes of economic advancement. They are indeed being exploited primarily to bolster up reactionary régimes and in the case of Saudi Arabia, for the subversion of other Arab countries.

7. So long as these conditions continue the area is ripe for Communist penetration. Up to now the West on the whole has followed the line that it was preferable to bolster up the régimes of the feudal land-owners as they alone could give stability to their countries and prevent Communist penetration. But the growth of Arab nationalism, the influx of new ideas, the contrasts of wealth and poverty, and the aid of Soviet ideas and agents, may soon make this theory untenable. Unless this is carefully guarded against, it is possible that economic and political discontent could also be directed against the West.

8. I think it is a mistake for the West to take a high moral stand about the entry of the U.S.S.R. into the Middle East. It is only surprising that this has been delayed so long. As a colonial, or a former colonial area, it fits in nicely with Marxist theory, and in addition, Russia has always looked longingly towards the Mediterranean and the Iranian Gulf. Certainly the Russians have given us sufficient warning that they were interested, and even how they would act. At any rate they are now prepared to use diplomatic, economic and other means to weaken Western influence in the area, to neutralise the Baghdad Pact, and if possible, to bring some of these countries into the Soviet orbit. Their plans are undoubtedly long-term, but I think it safe to assume that the days of exclusive Western big-power action

in the area have come to an end. The region is more vulnerable than most to Soviet action for the reasons I have outlined above, and unlike South-East Asia, it is geographically exposed to direct Soviet pressure and threats.

9. None of this would be of such urgent importance if it were not for the fact that the Middle East occupies a strategic situation, and for the purpose of this study I include French North Africa. If this area were to turn against the West, even if it did not go Communist, it would be a fatal economic, political and military blow to the Western alliance. The oil supplies and revenues alone are of vital importance to the United Kingdom and Western Europe. Communist influence well established in Egypt or other parts of the Middle East would be able to infiltrate with ease west into North Africa, south into the Sudan and equatorial Africa, and east into the Indian subcontinent. The strategic value of this part of the world, I need not labour. It depends not only on its importance for communications, but also as a springboard against the vulnerable southern part of Russia, and in particular the areas of largest concentration of non-Russians — the Caucasus and Central Asia.

10. All of these factors I have mentioned above (and there are many more) are clearly interlocking, and the result is one of the most complicated, yet urgent problems in international relations.

The Canadian Interest

11. Our general interest is simply that the world today makes it impossible to disassociate ourselves effectively from the problems of any area. If war should break out in the Middle East between Israel and Egypt, say, we are just as likely to be involved as we were in Korea and Indo-China. It is also in our interest to try to contain Soviet expansion wherever possible, and to create conditions which will make communism impossible.

12. We also have a certain moral involvement because Canada played a leading role in solving the Palestine problem and helping the United Nations to set up the State of Israel. We cannot now wash our hands of the problem. Nor, for internal political reasons, could we permit the destruction of Israel, even if we did not believe objectively in our moral obligation towards Israel. This moral obligation does not mean blind support of Israel against the Arabs. It simply means that we ought to help, either inside or outside the United Nations, to reach a solution of a problem which we, together with the other United Nations members, recognized as an international responsibility in 1947.

The Arab-Israeli Dispute

13. While I said earlier that the Israeli-Arab dispute was simply a manifestation in an aggravated form of the wider problem of the Middle East, nevertheless it must be removed or modified before we can seriously tackle the more general question. Up to now the Big Three have proved incapable of solving the problem. They have been unwilling to use sufficient pressure on either side to achieve a permanent settlement. This policy of trying simply to prevent a general conflagration without forcing a solution cannot continue indefinitely since it is more likely than not to provoke a debacle. It has furthermore failed signally to win the sympathy of the Arabs for the West.

14. Now that the Russians have demonstrated their support for the Arabs, the temptation becomes even greater not to do anything which would further alienate the Arab states. It is very easy to reason that the Israelis have no alternative but to seek the support of the West, and that we need therefore think only in terms of preventing the Arabs from going over to the Soviet bloc. But there is a limit to the direction we should travel on this road, apart from its basic immorality. I think it would be disastrous to give the impression that this is Western policy, and indeed I doubt if our interests would be served by sacrificing some of

the basic security of the State of Israel in order to gain a rather dubious Arab support. Israel still remains the only democracy, the only Western-orientated, and the only well-organized state in the Middle East, and one on which we can rely.

15. If we rule out, as I think we must, the thesis the U.K. has been advancing, that Israel should be forced to make considerable sacrifices in order to secure peace with the Arabs, then I think we must equally rule out the notion that anyone can force the Arabs to make peace on Israeli terms. Equally, we must rule out war as a solution though this may become more likely whether we approve or not. (Indeed, if the Jordanians were foolish enough to attack Israel in the next few months, and Israel were able, as I presume it would be, to drive the Jordanians out of Palestine, it would be very difficult for the U.N. later to force the Israelis to give up their conquests. This might indeed in the long run be a good thing as it would give the Israelis a more adequate territorial base in which to work, and reduce the risk that the Arabs would be able to drive them into the sea. It would also provide a better economic base for the young state).

16. Nevertheless, war is a solution which should not be contemplated, and we must avoid driving the Israelis to a preventive war by giving them the impression that the West has abandoned them.

17. Israel's only hope is to try to negotiate a settlement, even if it involves some territorial concession, although no one would expect Israel's territory to be "truncated". Israel's only chance of surviving is by making itself into an indispensable part of the economy of the Middle East. The so-called "abstract" concession which would be required of the Arabs — the recognition of Israel — in fact carries with it very great practical advantages for Israel. The economic suffocation of Israel is likely to result if peace is not made, and particularly if it is required to support the burden of modern arms. Israel cannot continue indefinitely to depend on outside economic help.

Recommendations

18. It is becoming increasingly clear that the Big Three have disqualified themselves from the role of adjudicators of the problems of the Middle East — the United States because of its pro-Israeli policy in the past. France and the U.K. for the reasons outlined above. Turkey and Greece are too immediately involved, and other European powers are not really qualified, with the possible exception of Italy. By a process of elimination, therefore, we are reduced to considering the possibility of relatively neutral and disinterested countries like Canada and India attempting to advance a settlement; of bringing the U.N. more directly into the task of seeking a solution; or of attempting to impose a solution agreed upon by the Big Three plus the USSR.

19. The proposal for arbitration is probably impractical even if we or the Indians were interested, and I presume we would not want to get directly involved in this area. We must fall back, therefore, on the last two suggestions, or possibly a combination of them.

20. The USSR is now firmly in the Middle East, and there is little we can do about it. The Big Three have failed to solve the problems of the Middle East without Russia; it seems inconceivable that they could do so now that the Soviet Union is an active participant. I think that the only course is to invite the Russians to participate with the Western Big Three in trying to solve at any rate the major problem — Arab-Israeli relations. This might be done in the first instance by private talks among the Big Four, plus the Secretary-General. These conversations might later be transferred more formally to the U.N., if they showed any sign of making progress.

21. There are many disadvantages in this course. In the first place it pre-supposes an interest by the USSR in solving the problems of the Middle East, whereas it is more likely that the Soviet cause is better served by continued divisions among the countries of this area, and the Western Powers. It is also possible that the Russians would ask, as a price of co-operation, the disbandment of the Baghdad Pact. My personal opinion has always been that both this pact and the previous Turko-Pakistani Pact served no useful military purpose and had many political disadvantages, and I would not think that its abandonment would be a serious loss, particularly as it is likely to lose its key member, Irak, some day in any event. In any case, it is quite useless without active U.S. participation. The West, of course, should not try to bargain the Baghdad Pact against Soviet co-operation, and I think the Russians would not demand it as a pre-requisite. But I think the West should be prepared, if necessary, to sacrifice it in return for Soviet participation in arranging and guaranteeing a Palestine settlement.

22. I think, on balance, that the Russians would be prepared to work with the West in seeking a solution of the problem of Palestine if in this way they could achieve equal, and respectable, status with the Western Big Three in the Middle East. I do not doubt that they will continue to stir up trouble, and press their own specific aims, but that is something they are going to do anyway, and it might be easier to try to work with them, rather than against or without them. In fact Soviet co-operation is the only real hope we have now of reaching a settlement of the Arab-Israeli dispute.

23. Finally, I have one suggestion to make on the nature of that settlement. It is clear that the Arabs will demand territorial concessions particularly in the Negev in order to establish a land-bridge between Egypt and Jordan. It is also equally clear that the Israelis will not permit an Arab corridor through the Negev, and insist on the importance of the port of Elath for their future economic expansion.

24. My suggestion is that, as part of a general settlement, an international territory similar to Danzig or Trieste, be established at the mouth of the Gulf of Aqaba to include a small slice of Egyptian, Israeli and Jordanian territory, including the ports of Elath and Aqaba, and that it be administered by an international force under the command of a U.N. official directly responsible to the U.N. Free access to the port by all three states should be permitted as well as free civilian transit. While the Israelis might object to ceding sovereignty, face would be saved by comparable concessions by Egypt and Jordan, and Israel's economic position would be assured. It would in fact be a very small price for them to pay if peace were to be secured. It would, furthermore, be almost the only way by which an international armed force could be introduced into the area and this in itself would add to the security of Israel and its neighbours. The other points in a general settlement; minor frontier adjustments, frontier guarantees, and compensation for the Arab refugees, have been pretty fully explored and I need not go into them here; but I think the suggestion for a free territory in the Gulf of Aqaba might just possibly prove a starting-point for negotiations on the delicate but essential question of the Negev.

R.A.D. FORD

5. DEA/12076-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures
pour le secrétaire d'État par intérim aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs
to Acting Secretary of State for External Affairs

SECRET Ottawa, May 2, 1956

REQUEST FOR FIVE ADDITIONAL CANADIAN MILITARY OBSERVERS WITH THE UNITED NATIONS TRUCE SUPERVISION ORGANISATION IN PALESTINE

This memorandum has been prepared, as you requested, for your use at to-morrow's Cabinet meeting.

2. The Secretariat of the United Nations in New York has formally requested in a letter to the Canadian Permanent Representative that Canada provide urgently five additional Military Observers for service with the United Nations Truce Supervision Organization in Palestine, which is headed by General Burns. In addition to General Burns, there are already five Canadian Military Observers with the Organization.

3. This request is pursuant to the recommendation which, according to the Secretariat, is to be made shortly by Mr. Hammarskjöld to the Security Council as a result of his trip to the Middle East that UNTSO should be enlarged by 20 to 30 Military Observers. As will be seen from the attached memorandum on UNTSO, this would at least double the number of Military Observers now with the Organisation, and would exactly double the number of Canadian Military Observers (apart from General Burns). The use to which the new Military Observers would be put is indicated by a report in this morning's press to the effect that UNTSO had announced that both Israel and Egypt had approved the establishment of U.N. observation posts and mobile patrols on the border around the Gaza strip.

4. The text of the letter from the Secretariat is contained in the attached telegram No. 356 of May 1† from our Permanent Mission in New York. The letter states that this request results from the Secretary-General's agreements with the parties concerned, which provide for greater freedom of movement by Military Observers along the demarcation lines with a view to reducing the prospect of incidents and warlike acts. Similar requests have been made to the Governments of Australia, New Zealand, Norway and Sweden, of which only the last now has Military Observers serving with UNTSO. (Our Permanent Mission has so far not been able to obtain any definite information concerning the reaction of these Governments.) The letter asks that the five additional Canadian officers be of the rank of Captain or Major, and that they be available initially until at least October 31, 1956. It also says that, as this is a matter of great urgency, it is hoped that the Observers can depart for Palestine at the earliest possible date.

5. We have been informed at the official level by the Department of National Defence that, if a formal request, such as that which we now have, were received from the United Nations, and if the Canadian Government decided to accede to this request, the officers required could be made available for duty with UNTSO.

6. From the point of view of this Department, I think it is most desirable that the Canadian Government should give favourable consideration to this comparatively modest request from the Secretary-General. The work which the Truce Supervision Organization has had to perform and will be carrying out is of very great importance and provides an opportunity for a Canadian contribution to the assistance of peace in the Middle East out of

all proportion to the number of Canadians involved. This request for additional Canadian assistance undoubtedly is a reflection of the high regard in which the work of General Burns and the other Canadians who have served or are serving with UNTSO is held.

7. I suggest, therefore, that you recommend to the Cabinet that the Canadian Government should accede to this request. I should perhaps add that both the initial request in November, 1953, for Canadian Military Observers to serve with UNTSO and the proposal, in June, 1954, that a Canadian should become the Chief of Staff of the Organization, were approved by Mr. Pearson and the Minister of National Defence but, as far as our records show, neither proposal was formally considered by the Cabinet.

R.M. M[ACDONNELL]

P.S.: Since this memorandum was prepared, we have been informed by our Permanent Mission that the Governments of Australia, New Zealand, Norway and Sweden have all officially accepted the request that they provide Military Observers for UNTSO, and that the Norwegian Observers will be leaving for the Middle East to-morrow.

[PIÈCE JOINTE/ENCLOSURE]

Note

Memorandum

[Ottawa], May 2, 1956

THE UNITED NATIONS TRUCE SUPERVISION ORGANIZATION IN PALESTINE

The United Nations Truce Supervision Organization in Palestine functions in accordance with a resolution adopted by the Security Council August 11, 1949, following the conclusion of Armistice Agreements between Israel and her four neighbours (Jordan, Syria, Egypt and Lebanon). The Organization is responsible for "observing and maintaining the cease-fire" ordered by the Security Council on July 15, 1948 and for "assisting the parties to the Armistice Agreements in the supervision of the application and observance of the terms of those Agreements". Officers of the Truce Supervision Organization watch conditions in demilitarized zones and along the armistice lines, investigate incidents and serve as chairmen of the four Mixed Armistice Commissions on each of which the parties concerned have two representatives apiece so that the chairman's vote is usually a decisive factor in determining the action taken by each of the four separate Commissions.

2. The Chief of Staff of the Organization, who since August 1954 has been Major General E.L.M. Burns of Canada, reports to the Security Council on the observance of the Armistice Agreements. He is assisted by about twenty military observers recruited by the Secretary-General of the United Nations with the cooperation of the Governments of Belgium, France, the United States, Canada, Denmark and Sweden. Canada currently is supplying five military observers, two Lieutenant-Colonels, two Majors and one Captain.

3. The military observers — most of whom are majors, captains and lieutenant-colonels — are appointed by the Secretary-General of the United Nations for one-year terms on the recommendations of their respective governments. Appointments are renewable. The observers are paid a *per diem* salary by the United Nations, based on the cost of living in

the area. The Chief of Staff is assisted also by civilians, most of whom are members of the United Nations Secretariat.[9]

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6. DEA/50134-40

Note du chef de la Direction européenne
pour le sous-secrétaire d'État par intérim aux Affaires extérieures

Memorandum from Head, European Division,
to Acting Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], May 4, 1956

SOVIET MOTIVES IN THE MIDDLE EAST

While reading some of the speculations about Soviet motives in making the Molotov Declaration[10] on the Middle East and in suggesting to the British that they would be prepared to seek a solution of Middle East problems, a point occurred to me which does not seem to have been touched on in any of the commentaries I have seen. I was wondering if one of the considerations in the Russians' minds may not have been the fear that the situation could get out of hand in the Middle East and that the Russians would not be able to prevent it from leading to a general war which everyone seems to think the Russians now wish to avoid.

2. You will recall that the Swedish Ambassador reported a conversation with Khrushchev at the New Year's Reception in Moscow (this reached us through French sources). The Ambassador mentioned to Khrushchev that the Soviet entry into the Middle East seemed to have increased the risks of war and that this seemed inconsistent with the previous statements of Khrushchev that war must be avoided.

3. Khrushchev was quoted as replying "Bah, ne vous faites pas de souci. Si les Arabes s'enflamment trop, les Anglais sont là pour les calmer".

4. Since that time, however, the position of the British in the Middle East has deteriorated rapidly. The Russians must be as aware of it as we are. It could well be possible that Khrushchev has changed his opinion in these four months and now believes that the British are not in a position to prevent the Arabs from making war and that, therefore, the situation is more inflammable than seemed possible last fall. It, therefore, follows that the Russians would wish to hint to the Arabs that they could not rely entirely on Soviet help in the event of an attack on Israel. Prior to the present Soviet statement there was a real danger, which the Russians certainly must have recognized, that the Arab states, armed with Soviet guns and assuming automatic Soviet support, would precipitate a war which the Russians have come to realize could not be prevented from involving the big powers.

5. Apart from this big step forward, the Russians have put themselves in the position of disillusioning the Arabs, if only partially. This also is an advantage for the West, and one which I hope we will push. I think the Russians would only have endangered the advantage they had with the Arabs for big stakes — control of the inflammable situation in the Middle East, and not primarily, as the United Kingdom has suggested, because they want

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[9] Le 3 mai 1956, le Cabinet a consenti à l'envoi des cinq observateurs additionnels demandés par le Secrétaire général.
On May 3, 1956, Cabinet agreed to send the five additional observers requested by the Secretary-General.

[10] Voir/See *Documents on International Affairs, 1956*, London: Royal Institute of International Affairs - Oxford University Press, 1959, pp. 59-61.

to destroy the Baghdad Pact and secure a voice in Middle East affairs, though naturally these must also be important Soviet aims.

R.A.D. F[ORD]

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7. DEA/50134-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le sous-secrétaire d'État par intérim aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs to Acting Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], May 15, 1956

INTERVIEW WITH AMBASSADOR OF EGYPT

In accordance with Mr. Pearson's request, I asked the Egyptian Ambassador to call this afternoon. It had been impossible to get anyone at the Egyptian Embassy for several days as they were celebrating the end of Ramadan.

2. When the Ambassador came I told him that the propaganda material which had been enclosed with Mr. Comay's letter† to the Minister of May 7, had been drawn to the Minister's attention but I did not mention by whom. I said that Mr. Pearson agreed that this material contained attacks on a friendly nation which went beyond the bounds of what seemed acceptable. I suggested that it seemed to me of a defamatory kind which if it had been published by someone other than a diplomatic source might have required some action. After having consulted Mr. Wershof on this subject, I was careful not to say specifically that it would be actionable. My personal view, I added, was that I did not think it was really of a kind best calculated to appeal to the Canadian public. I said that Mr. Pearson had not wanted to make a formal complaint but had asked me to draw this matter to the attention of the Ambassador.

3. The Ambassador took this pretty well. He contended himself with emphasizing that it was all factual, that this was what the Israelis were doing to Egyptians and these were actual photographs. He was inclined to get the impression that we were attempting to prevent the Arab countries from presenting their side of the question but I assured him very firmly several times that we had no such intention. He had every right to explain the Egyptian position to the Canadian population in the same way as the Israeli Embassy had the right to explain their position. It was merely a question of how far one should go in attacking another government. He said that not only the Israeli Embassy but many Canadians viciously attacked Egypt and Arab policy and referred to conventions which he said were frequently held in the Chateau Laurier where people said dreadful things about Egypt. I said that Mr. Pearson would take exactly the same attitude towards similar material put out by any other Embassy. Mr. El Khatib did not promise to withdraw any of the material or to cease putting it out and I did not press him to any commitment. However, I think that he will take the hint. In spite of his protests, the discussion was pretty amicable in tone.

4. After this unpleasant introduction, the Ambassador asked me if any decision had been taken on the planes for Israel.[11] I told him that no decision had been taken but that the matter was constantly under consideration. He gave me the usual arguments about the desirability of Canada preserving its neutrality and its high reputation among Arab coun-

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[11] Voir/See Document 40.

tries and repeated the argument that to sell such planes would be to forfeit the friendship of the Arab countries. I did my best to explain to him that even if a decision were taken to send the planes to Israel, this gesture would in no sense mean that we were espousing one side against the other. All that the Israelis had asked for were interceptor planes capable of use only for defensive purposes. No offensive weapons were under consideration. As Mr. El Khatib constantly insisted that Egypt had no aggressive intentions whatsoever I drew to his attention the fact that although the Israelis had asked us only for defensive aircraft, the Egyptian Government had been buying bombers from Czechoslovakia and that these were useful only for offensive purposes. My argument was pretty difficult as I discovered that the Ambassador had not the faintest idea that there was a difference between a fighter and a bomber plane. He was tremendously impressed with my knowledge of this distinction and assumed that I must have had a long career in the R.C.A.F.

5. During our discussion as to whether or not the supply of aircraft to Israel would contribute to an arms race, I indicated that we were naturally much interested in the intentions of the Egyptian Government. If the Egyptian Government intended to continue buying bomber planes, then this was an important factor which we must consider in deciding whether or not the Israelis should have the means to defend themselves. He assured me that the purchase of bombers from the Soviet countries was something that had taken place and was finished. When I pressed him on this point, he did not seem too sure of himself and I do not think too much store should be placed in this statement. I am not suggesting that he was deliberately prevaricating but I doubt if he is very well informed on the subject. I did let him know, however, that this was something in which we were much interested and would like to know what his Government had to say on the subject.

6. In conclusion, he made some reference, not unfavourable, to Larry Henderson's reports from the Middle East. Although he criticized what Mr. Sharrett had said to Henderson, he admitted that both sides had been given an opportunity to speak. I said I hoped he would bear in mind the length to which the C.B.C. had gone to present the Arab case when he complained about the one-sidedness of newspapers and Members of Parliament in this country, as he had in the earlier part of the interview.

J.W. H[OLMES]

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8. DEA/50134-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures[12]

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs[12]

SECRET [Ottawa], July 20, 1956

POSSIBLE RESUMPTION OF WORK ON ISRAELI SCHEME FOR DIVERSION OF ISRAELI WATERS

In our memorandum of June 18,† we speculated that the replacement of Moshe Sharett by Mrs. Golda Myerson as Foreign Minister of Israel might produce a tougher line in Israeli foreign policy. Already there are indications that a policy of very firm diplomacy is being adopted. These have included an increase in the number and intensity of Israeli complaints to the Mixed Armistice Commissions and the complaint by Israel to the International Civil Aviation Organization against Arab failure to cooperate in established air-safety practices.

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[12] Note marginale :/Marginal note:
A very interesting and disquieting memorandum. L.B. P[earson]

This apparent stiffening of foreign policy has revived apprehension that Israel may soon resume work on its project to divert the Jordan River waters for irrigation and power development. In recent weeks the Israelis have been constructing defensive positions in the demilitarized zone along the frontier with Syria north of Lake Tiberias. While this has no necessary immediate connection with possible intentions to resume digging operations in the zone, it inevitably has increased speculation that work is about to be resumed, and has led to a Syrian complaint to the Mixed Armistice Commission. Moreover, there have been several recent Israeli complaints of Syrian violations of the demarcation line in the area; and since these apparently are without foundation, it has been suggested that the Israelis may be concocting a pretext for an initiative of their own. In view of Prime Minister Ben-Gurion's frequent assertions that Israel cannot much longer delay work on the canal project in the demilitarized zone, and the recent loss of Mr. Sharett's restraining influence in the Cabinet, the possibility that Israel may now press on with the scheme certainly cannot be ignored. Should work be resumed in the face of the intransigent Arab opposition to the Israeli undertaking, the danger of large-scale hostilities being precipitated would be very real indeed, particularly at this time when other sections of Israel's frontiers are under tension, and the Arabs apparently are in a state of considerable military preparedness.

The Jordan River canal project, of which the disputed work in the demilitarized zone forms a part, involves diversion of a portion of the Jordan waters north of Lake Tiberias. It is intended to carry water from the river along an eight-mile canal to a point on the lake, where some of the water will be used to operate a hydro-electric project. The balance of the water would be carried to a nearby reservoir for ultimate transmission by tunnel, canal and pipe to the Yarkon River at Tel Aviv, thereafter to be utilized for various irrigation schemes.

Israel abandoned work on the canal diversion project in the demilitarized zone in September 1953, following a protest by Syria to the United Nations Security Council, and agreed to suspend digging operations while the question was given further "urgent examination". It was pointed out during the Security Council discussions on the complaint that the General Armistice Agreement gives the Chief of Staff of the United Nations Truce Supervision Organization responsibility for the general supervision of the demilitarized zone; and it has been suggested that Israel would require the approval of General Burns before resuming work on the scheme.

Since 1953, construction of other portions of the canal, from the edge of the demilitarized zone to Lake Tiberias and thence to the reservoir at Beit Natufa, has continued. This work is far from complete, and will probably take another two years to finish. However, the section in the demilitarized zone forms an integral part of the whole Israeli scheme; and Israel argues that it cannot be expected to go ahead with other sections of the work while its right ultimately to construct the disputed portion remains in doubt, since failure to complete that part would wreck the entire project.

Since work in the demilitarized zone was abandoned in 1953 at the request of the Security Council, the United States in effect has assumed responsibility for negotiation of the Jordan waters dispute, in the absence of any further United Nations action. President Eisenhower appointed Mr. Eric Johnston as his special ambassador to go to the Middle East and present to the Israeli and the Arab governments a comprehensive plan for development of the Jordan River for the joint benefit of Israel and the Arab states (particularly

Jordan) under international supervision. The plan had been drawn up at the request of the United Nations under the direction of the Tennessee Valley authority, which had reviewed and analyzed all past proposals for utilization of the Jordan waters. The plan which resulted was optimistically entitled "The Unified Development of the Water Resources of the Jordan Valley Region". This original plan was considerably modified with a view to meeting specific objections raised by the parties during Mr. Johnston's first and subsequent visits to the Middle East. On his fourth visit, undertaken in August 1955, he carried with him the revised plan with which his name now is associated, embodying new compromise figures for water allocation, and involving a United States offer to pay 2/3 of the cost of the entire project (estimated at $200 million). Israel was to receive 40% of the total water flow to be shared, and the remaining 60% was to be divided among Lebanon (3.5%), Syria (12.5%) and Jordan (44%). The plan in this latest form provided that neither side would have physical control over distribution of the Jordan waters; this would be in international hands, presumably under a neutral board of engineers.

Mr. Johnston's own assessment of the benefits which could be derived from a comprehensive programme for developing the Jordan River basin is interesting. First, he points out, it would form the basis for an equitable allocation of the available waters, and thus take utilization of the river waters out of the area of controversy between Israel and her Arab neighbours. Second, it would mark at least the beginning of a constructive, practical and long-overdue solution of the refugee programme, in that it would bring into agricultural use sufficient new land to settle many thousands of the refugees. Finally, it would contribute to a general rise in economic levels and thus help to promote social progress in the whole region.

It appears that during his most recent visit to the Middle East Mr. Johnston was able to achieve virtually complete agreement on the technical and engineering details of the plan between Arab and Israeli authorities. The allocation of the controlled waters was agreed upon, and earlier Arab objections to the use of Lake Tiberias as the storage reservoir were withdrawn. There can be no serious doubt that the real burden of current Arab refusal to accept the scheme is almost entirely political. Even Syria, which stands to gain comparatively little under the international plan, and Egypt, which is not directly concerned at all, apparently appreciate the economic desirability of the development programme. Lebanon is only moderately interested, since it has a development scheme of its own in mind, involving exploitation of the Litani river; but for Jordan, full utilization of the River Jordan as well as the Yarmuk offers the only hope of developing sufficient cultivable land to feed even its own population, not to mention the 460,000 refugees within its borders. The chief question of the Arab states is, would the plan really imply recognition of the existence of Israel? It is with this in mind that the Arabs, throughout the negotiations, have maintained their insistence that any water distribution system should be regulated by international authority. The corollary to their legalistic apprehension about recognizing the existence of Israel of course is that the Johnston plan would give Israel means of implanting itself still more securely, by using the new water source to develop more land. Furthermore, it might imply acceptance of the principle of re-settling refugees, rather than repatriating them to Israel.

The immediate issue between Syria and Israel certainly is of a legalistic character, rather than economic; for a unilateral diversion project by Israel would not interfere with Syrian irrigation or power developments, and in any event could be fitted into any international scheme which might be agreed upon later. The essential conflict is that the Syrians say the Israeli digging operations are contrary to the terms of the General Armistice Agreement, in that they constitute strategic work in the demilitarized zone. The Israelis insist that the canal project is purely a civilian undertaking, and does not violate the provisions of the Agreement.

Israel regards the possible creation of a permanent international agency on the scene as an undesirable intrusion, and a reflection on Israeli sovereignty. However, the Israelis maintain that they are genuinely interested in cooperating in the Johnston plan. It embodies the major elements of Israel's own project for diversion of the Jordan waters, although it would provide only the absolute minimum amount of water to meet immediate Israeli development plans. Nevertheless, the possible political benefits to Israel which might reasonably be expected to follow the water agreement, and the economic attractions of the international scheme, are sufficient inducements to make the plan desirable to the Jewish state.

Israel has been growing increasingly impatient during recent months over continued delay in implementation of the plan, as a result of Arab failure to accept it. At the conclusion of Mr. Johnston's latest talks in the Middle East, the Arab states asked for further time to study the plan. The Israelis agreed to delay work on their own diversion scheme in the hope that the plan for international development would be accepted, but indicated that they would feel compelled to proceed with their own scheme during the 1956 dry season (May to October) if the Arabs had not yet agreed to the Johnston plan.

During his recent mission to the Middle East, Mr. Hammarskjöld was questioned about the implications of possible resumption of work by Israel in the demilitarized zone. While he did not insist that this would constitute a violation of the Armistice Agreement, he indicated that it might be contrary to the Security Council Resolution of 1953. Certainly it can be argued that the approval of General Burns would have to be obtained before work could be resumed. However, Israel points out that the issue technically has been under "urgent examination" by the United Nations for more than 2 1/2 years, and that in the absence of any Security Council action in all this time, Israel is free to resume digging operations. Both the United States and the United Kingdom governments have warned the Israeli government against proceeding with its diversion scheme at this time.

Recently there have been unconfirmed reports from Jerusalem that the Secretary-General intends to propose a modified version of the Johnston Plan, to operate under United Nations auspices, to the parties.

Israel's attitude toward the timing of resumption of work may not be unrelated to considerations of military preparedness. The Israelis may calculate that work in the demilitarized zone could be proceeded with this year without encountering serious opposition from the Syrians or precipitating war, which may not be the case next year with the increased flow of arms to the Arab states.

The Syrians have stated frequently that they would regard renewal of digging operations in the demilitarized zone as a cause for war and that they would expect Egyptian assistance under the terms of their alliance. Egypt has assured them that military assistance would be forthcoming. It has never been quite clear how far this position was qualified by undertakings given to Mr. Hammarskjöld during his cease-fire talks in Damascus. The United Kingdom Embassy in Damascus believes that Syrian leaders are by no means confident of Egyptian support in the event of Syrian military action over diversion of the Jordan river, and therefore would offer only token military opposition to resumption of work by Israel, before appealing to the Security Council. United States sources in Syria, on the other hand, express the view that Syria would put up strong resistance, and quote Syrian officials as saying in effect that they would blast the Israelis out of the zone if they attempted to resume digging. Since we have no direct diplomatic contacts with the Syrian government, a realistic assessment of the possibilities is difficult; but our Chargé d'Affaires in Beirut has stated that he is inclined to accept the United States estimate of possible Syrian reaction. On the other hand the Egyptians showed no inclination to assist the Syrians at the time of the Israeli attack at Lake Tiberias, which came shortly after announcement of the Syrian-Egyptian military alliance.

It seems unlikely that the Arab states would ever concede Israel the right to carry on with unilateral schemes for diversion of the Jordan waters. Therefore, in the absence of agreement on any international settlement such as the Johnston plan, it appears that the Syrian sector of the demarcation lines will continue to be a source of potential danger. Resumption of work in the demilitarized zone by Israel at any time before a full settlement of the issue is arrived at might well precipitate major disturbances. At this particular time, when considerable Syrian forces are understood to be massed near Lake Tiberias, and with the other Arab states also in a state of military alertness for a variety of reasons, it would almost certainly have drastic repercussions.

J. L[ÉGER]

SECTION B

EXPORTATIONS D'ARMES AU MOYEN-ORIENT
EXPORT OF ARMS TO THE MIDDLE EAST

9. DEA/50000-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], January 19, 1956

EXPORT OF ARMS TO THE MIDDLE EAST

You asked for a review of the export of military equipment and aircraft to the Middle East during the last two years. You also asked for a review of the procedures relating to the control of such exports.

2. I attach a Table† showing by dollar value and by types of items the export permits for such exports to the Middle East which were issued from January 1, 1954 to December 31, 1955. I should point out that these figures do not cover actual deliveries, since there is necessarily a time lag between the issue of an export permit and the delivery of an order. I shall return below to the matter of this time lag. Delivery figures are not directly available, and we have so far been unable to obtain them; I assume that the permit figures attached are sufficient for your present purpose.

3. With regard to the steps leading up to the issue of an export permit there are two different starting points. Enquiries or requests may be directed to the Canadian Commercial Corporation, or to private Canadian companies which sooner or later get in touch with the Department of Trade and Commerce about the likelihood of obtaining an export permit. When the matter reaches a stage where an export permit is sought it is the Canadian supplier and not the foreign purchaser who makes application for it.

4. Approaches may take the form of general enquiries about availability, more formal requests for specific quotations, or firm requests to place an order. An order is not normally accepted or a contract signed without the supplier having received assurance that an export permit will probably be granted; this is true whether the CCC or a private firm is the proposed supplier. With regard to general enquiries or requests for quotations practice varies among private firms, but the CCC normally give us an opportunity to comment before giving a positive answer to any such enquiry or request which might have political implications. The private firms most active in this field are also accustomed to consult Trade and Commerce in such cases, but I am not aware of any formal obligation upon the supplier to contact the interested government departments prior to the stage of applying for an export permit.

5. Whether we are asked for our formal concurrence in the issue of an export permit, or for an advisory opinion at an earlier stage, we invariably consult the Joint Intelligence Bureau before acting. In routine cases the advice from the J.I.B. usually takes the form of a statement that they have consulted the appropriate armed service and that it has no objection to the proposed transaction. In more substantial cases they add an assessment of the effect, if any, on the military capacity of the country concerned or on the balance of strength in the area. In really doubtful cases we seek to obtain a clear opinion, as detailed as possible, of the military value of the item concerned and of the full military implications of releasing it to the country in question.

6. Having obtained this information, we form an assessment within the Department of whether our approval should be granted, should be refused, or should be given only subject to limiting conditions relating to quantity, rate of delivery, etc. Our opinion is drafted in the Economic Division in consultation with the political division or divisions concerned, and is communicated by letter to the CCC or to the Department of Trade and Commerce depending on where the request came from. Copies are of course sent to Trade and Commerce and J.I.B. in all cases.

7. I attach a copy of a paper which you approved on May 26, 1954, setting out the extent to which you have delegated to officials of the Department the authority to approve the issue of export permits in certain cases of specifically limited importance. When approval has been given in accordance with those procedures, by yourself or by me or by the Head of the Economic Division as the case may require, our decision is transmitted in a letter which is normally signed on my behalf by the Head of the Economic Division. While it is not formally required, the same procedures are normally followed when we are asked for our opinion prior to an actual application for an export permit.

8. The authority to issue export permits is vested in the Minister of Trade and Commerce, and I attach a memorandum dated January 21, 1954,[13] which was approved by the Cabinet on March 10, 1954 setting out the conditions under which that authority is exercised. As you will observe, the Minister of Trade and Commerce is under obligation to obtain your prior approval in a variety of specified cases including shipments to troubled areas such as the countries of the Middle East. The manner in which your approval is obtained is set out in the preceding paragraphs, which include the arrangements you have approved for delegating the authority to approve in specified and limited cases.

9. It is my judgment that these various procedures, faithfully observed, are adequate. Early in this memorandum I referred, however, to the question of a time lag which could create difficulties if the situation altered considerably in that interval. This can come in at

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[13] Voir/See Volume 20, Document 713.

two stages, both between transmission of our approval to Trade and Commerce and the issue of an export permit, and between the issue of the permit and the completion of delivery. With your approval we would propose to discuss with Trade and Commerce the possibility of reducing the time covered by our approval and limiting it to a known period. Between the issue of the permit and the date of clearance through customs the Government has no direct contact with the transaction, and the latter date is limited only by the duration of the permit which now normally extends for one year from the date of issue. What we have in mind is that as a general rule permits should be valid only for a limited period (perhaps three or four months) from the date at which this Department grants its approval. Exporters would be asked to indicate the period they expect to require, and in particular cases of manufacture or reconditioning when the limited period suggested above is clearly insufficient, consideration could be given to issuing a permit of longer validity. If the time to complete delivery is likely to be too long, it might be decided to limit the initial permit to the standard period (of three or four months as suggested above) and require the exporter to re-apply for the necessary extension. Such a system would keep us far better informed than we are at present, and would ensure periodic review of outstanding orders.

10. It should be recalled that under the Act the Minister of Trade and Commerce "may amend, suspend, cancel or reinstate any permit ... issued ... under this Act." We are advised by Trade and Commerce, however, that to invoke this authority would be a very serious step indeed (with substantial financial consequences for the Canadian exporter) and that they would prefer to deal with this problem by means of tighter control procedures governing approval. I assume that we would also, from the point of view of our relations with the other countries concerned.

11. I should be grateful for any comments you may have, particularly on the proposal outlined in paragraph 9 above that we approach Trade and Commerce to try and reduce the time lag which can now develop between approval and delivery.

J. L[ÉGER]

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10. DEA/50000-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], January 20, 1956

EXPORT OF ARMS TO THE MIDDLE EAST

My memorandum of January 19 on this subject was based on verbal requests from your office. Since it was prepared I have received Mr. McGill's memorandum† of the same date, and I shall attempt in this memorandum to deal with the questions he asks. I should make it clear from the outset that I am not able to give a complete answer to all of these questions.

Arming of Harvards for Egypt

2. I attach a copy of a report† on this subject which has been prepared by the Chief of the Air Staff for the information of his Minister. To the best of our knowledge the information in Air Marshal Slemon's report is accurate, and amounts to this: these aircraft were of a type which is intended for pilot training only, that they were not designed to carry armament although with substantial modifications they could be made capable of doing so, and

that the particular aircraft in question were not in fact equipped with any armament or armament mountings. No items of armament have been released by the RCAF for export to Egypt, nor has any been requested of the RCAF.

3. While it does not appear in A/M Slemon's report, we have been informed by the JIB that they have, with the assistance of an RCAF expert, checked through the lists of aircraft spare parts for which permits covering export to Egypt have been issued, and are satisfied that no items which could be used to arm Harvards are included.

History of the Harvards for Egypt

4. During the spring of 1955 the Trade Commissioner in Cairo reported to his Department that a representative of Canadair had held discussions with Egyptian authorities who wished to purchase military aircraft from Canada. The upshot of these discussions had been an Egyptian request to Canadair to provide quotations on 20 Orenda Sabre jets and/or on 20 Super Sabres, and to accept orders to provide 15 Harvard training aircraft. We were informed of this request, and sought the comments of the United States and United Kingdom governments. The United Kingdom replied that there was no objection to the export to Egypt of 15 Harvard T6G reconditioned aircraft, but that they did not want any modern aircraft in the hands of any Arab State or Israel. The United States authorities reported that they would offer no objection if Canada accepted an Egyptian order for five jet or super-jet aircraft, but would prefer it if the Egyptians could be satisfied with Orenda Sabres instead of super-jets. They did not comment directly on the matter of the Harvards, but the implication was clear that they had no objection to the export of this type of aircraft to Egypt.

5. At the same time the JIB was consulted, and reported in a letter dated July 18 that they had "no objection to the export of reconditioned Harvard trainers", while they opposed the release of modern jet aircraft to countries in the Middle East.

6. In a letter dated July 19 we informed the Department of Trade and Commerce that we were not able to give "a final view on the position which should be taken with respect to the proposal that Canada sell Sabre jets to Egypt." We stated, however, that we "would have no objection to the development of firm orders for 15 Harvard T6G reconditioned aircraft which, we understand, the Egyptians wish to purchase". This action followed your approval of the proposal to take this course recommended in our memorandum of July 8, 1955.[14] Before making this recommendation we had been informed by telephone of the JIB position later confirmed in the letter of July 18 mentioned in my preceding paragraph. Our letter to Trade and Commerce is dated after that letter from JIB.

7. Our files show nothing further on this matter until the middle of October, when we received from Trade and Commerce the list of export permits for September recording the issue on September 8 of an export permit for these 15 Harvard aircraft. We have since been informed by telephone that the authority quoted in the Trade and Commerce file is our letter of July 19 which approved the development of firm orders but not specifically the issue of an export permit. This is no more than a technical departure from the established procedure, since our letter was tantamount to approval of the issue of an export permit and nothing occurred in the intervening period which would have altered our attitude. The incident does, however, draw attention to the desirability of tightening the procedures as suggested in my memorandum of January 19.

Survey of Requests for Arms from the Middle East

8. The annex to my memorandum of January 19 provides a summary of the export permits issued during 1954 and 1955 for shipment of military equipment to countries in the

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[14] Voir/See Volume 21, Document 548.

Middle East. We have not available the information covering actual shipments during this period, but we may assume that it corresponds with the permits issued if allowance is made for a time lag between the issue of permits and the completion of delivery. It is very difficult to compile data on the actual deliveries, since it involves detailed enquiries from the customs clearance ports or, alternatively, a thorough study of export statistics in which items of this nature are buried as inconspicuously as possible and not, of course, related to the corresponding export permits.

9. We are inevitably unable to present a complete report on requests which have not been followed through and approved, since such requests may take the form of enquiries to private firms which are not pursued further and never reported. To supplement the information on permits issued, which appears in the Table mentioned above, I am preparing a list of requests or enquiries which appear in our files but did not lead to the issue of an export permit. I hope to submit this list to you in the near future, and while there can be no assurance that it is complete, I am confident that it will indicate all the important items.

J. L[ÉGER]

P.S.:

I might offer an additional comment on the question of the military capability of the 15 Harvards.

The release of such aircraft — whether as pure pilot trainers or as machines with (very limited) military capabilities — would seem to be quite consistent with the statement[15] which you made to the House on Tuesday covering the considerations governing the export of arms to the Middle East. It can scarcely be argued that such equipment would tend to disturb the stability of the Middle East or that its release to Egypt was improper unless it is maintained that the export of *any* military or semi-military items to *any* country in that area should be prohibited by Canada and presumably by all other western countries.

In the light of these considerations our approval of this transaction was not dependent on detailed knowledge of the particular version of Harvard in question. Enquiries from countries in the Middle East concerning the availability of modern combat aircraft, such as the F-86, have of course been treated as quite a different matter. Such enquiries have been received from both Israel and Egypt and have not been approved.

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11. DEA/50000-A-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET [Ottawa], January 30, 1956

EXPORT OF ARMS TO SENSITIVE AREAS

I attach a table showing the amounts by countries of permits issued during 1954 and 1955 for the export of arms to sensitive areas. The total, as you will note, is just over five million dollars, while the total for the Middle East countries on which you have already reported to the House is just under three million dollars. Thus the figure for other sensitive areas is somewhat over two million dollars.

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[15] Voir Canada, Chambre des Communes, *Débats*, 1956, volume I, pp. 191-192.
See Canada, House of Commons, *Debates*, 1956, Volume I, pp. 183-184.

(This differs from the figure given in my memorandum of January 27† because the Middle East figures used in that calculation for the over-all total contained the permits issued in 1954 for tank parts for Israel. Those permits, you will recall, were not used and were replaced in part by new permits issued in 1955. The Middle East figures which you gave the House did not include these unused permits, and the Middle East figures which were subtracted from the over-all total in my memorandum of January 27 were the same as those you used in the House. Thus the residual total obtained was about a million dollars too high. The figures now given have been corrected on this point.)

I should mention that the figures attached herewith are subject to the limitations given in my memorandum of January 27 commenting on the earlier figures. I attach a copy of that memorandum for convenience of reference.

I should add a word about the shipments to Indochina and Korea. At the time our Commission was settling in to its task there was a full review of the question of shipments to Indochina of military items, with full account taken of the provisions of the cease fire agreement. Those items which are prohibited are "arms and munitions, and other war material". A separate passage provides a definition of "other war material" as "combat aircraft, naval craft, pieces of ordnance, jet engines and jet weapons and armoured vehicles". It was our Commissioner's interpretation, supported by the Department, that items falling outside these categories were not prohibited. The items approved for release to Indochina have in fact consisted of maintenance parts for aircraft, tanks, trucks, jeeps and radios, and have all been examined prior to approval in the light of the considerations mentioned. The one item released for Korea was a radio transmitter, certainly not prohibited under the armistice agreement and possibly not a military item at all.

J. L[ÉGER]

[PIÈCE JOINTE 1/ENCLOSURE 1]

CONFIDENTIAL

PERMITS (IN THOUSANDS OF DOLLARS) FOR ARMS EXPORTS
TO SENSITIVE AREAS IN 1954 AND 1955

Country	1954	1955	Total
Burma	276	30	306
Egypt	—	771	771
Finland	7	—	7
India	287	622	909
Indochina	120	65	185
Indonesia	124	25	149
Israel	736	1,332	2,068
Hong Kong	—	4	4
Japan	—	120	120
Korea	1	—	1
Malaya	—	23	23
(French) North Africa	3	2	5
Pakistan	101	342	443
Sweden	6	3	9
Thailand	67	15	82
Yugoslavia	7	1	8
	1,735	3,355	5,090
		1,735	
		(5,090)	
Total for Middle East			2,839
Residual Total			2,249

[PIÈCE JOINTE 2/ENCLOSURE 2]

VALUE OF EXPORT PERMITS ISSUED IN 1954 AND 1955 IN RESPECT OF NON-NATO COUNTRIES IN THE MIDDLE EAST FOR ITEMS LISTED IN GROUP 8, SCHEDULE 2 OF THE ACT[1]

		Military Items		Civilian Items		Total	
ISRAEL	1954	735,574.60[2]		760.00		736,334.60	
	1955	1,332,110.59	2,067,685.19	1,245.00	2,005.00	1,333,355.59	2,069,690.19
EGYPT	1954	296.00		49,800.00		50,096.00	
	1955	770,825.00	771,121.00	74,000.00	123,800.00	844,825.00	894,921.00
SAUDI ARABIA	1954	—		101,500.00		101,500.00	
	1955	—.	—.	45,000.00	146,500.00	45,000.00	146,500.00
SYRIA	1954	—		—		—	
	1955	70.00	70.00	9,780.00	9,780.00	9,850.00	9,850.00
						COMBINED TOTAL	3,120,961.19

Footnotes:

[1] The division between military and civilian items has been made as precisely as possible, although it is recognized that some items could be used for either purpose. In this table the military items consist of: military aircraft or military training aircraft and parts for them; 3.7" A/A guns, accessories and ammunition; 25 pounder equipment, accessories and spares; 20 mm. automatic guns and accessories; .303 Browning machine guns, accessories and ammunition; Bren guns, parts and ammunition; Oerliken ammunition; 75 mm. shells and fuzes; 2" rocket flare projectors and flares; Piat bomb bases; tracks and parts for Sherman tanks. The civilian items include: Beaver aircraft and spares; spare parts for various civilian aircraft such as C-47's.

[2] Excludes $964,071.36 of Permits issued in 1954 which were not used within the year and were cancelled. Shipments of some of the items concerned which took place in the following year under a new Permit are shown in the figures for 1955.

[PIÈCE JOINTE 3/ENCLOSURE 3]

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET

[Ottawa], January 27, 1956

EXPORT OF ARMS TO SENSITIVE AREAS

In a separate memorandum† I have outlined an answer which might be given to the question asked by Mr. Churchill (Winnipeg South Centre) on this subject. There are two points connected with that answer which I would like to bring to your attention.

I have suggested that you should indicate the total value of permits as "just below 6 1/2 million dollars". There are two reasons for putting it this way, rather than naming a precise figure. For one thing, it is not always easy to define what constitutes military equipment, and there are borderline cases such as used military clothing which could raise or lower the total slightly depending on whether or not you include them. In the second place, the great majority of the permits (all in the case of Middle East countries) provide a maximum dollar value for the shipments to be released, but in a few cases the dollar value is not known and the maximum permissible shipments are shown only by the amount (by weight or number of units) of the item in question which may be exported. For what it is worth our total for the permits covering specified dollar values is about $6,332,000, subject to possible adjustment on the borderline cases as to whether or not they should be included. This figure excludes the shipments for which dollar values are not known, but there is little likelihood that they could be sufficient to raise the total over 6 1/2 million dollars. While there is no reason why these minor factors affecting the total *cannot* be revealed, I think that to do so might lead to further discussion; I would therefore recommend that the answer be limited to what is suggested in my earlier memorandum.

My second point concerns the position of India and Pakistan. The total for all areas is about 6 1/2 million dollars and for the Middle East is about 3 million dollars. Of the remaining 3 1/2 million dollars about $910,000 was for India and about $440,000 was for Pakistan. I think there would be serious objections to making public any details on this situation, but I thought you should have these facts available for your own information. (Incidentally, these amounts for India and Pakistan are very substantially lower than those which Ritchie had in mind when he guessed yesterday morning that the total for the 34 countries would be a much larger figure. He was basing himself on the size of the revolving credit — 5 or 6 million dollars — which Pakistan had maintained for arms purchases from Canada in 1952-53 when imports from Canada were apparently on a considerably larger scale than in the past two years.)

J. L[ÉGER]

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12. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa] February 3, 1956

Present

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).

The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin).

. . .

EMBARGO ON SHIPMENTS OF ARMS TO THE MIDDLE EAST

4. *The Secretary of State for External Affairs* said that, with the conclusion of the debate in the House on foreign policy it would be advisable to lift the embargo on arms shipments to the Middle East. All cargoes destined for that area had been held up, but, in fact, they included only a very small amount of goods which could be regarded strictly as warlike materiel. If an affirmative decision — and such a decision should be explained — was not taken, it would be said that the Canadian government had been driven from a policy which it had been following for two years and which he considered sound. The alternative was to continue the embargo which, in practice, would mean an embargo against Israel only, because the Arab countries would continue to get arms from other sources. There were only one or two commitments which had not been fulfilled. These consisted of some spare parts and a small amount of electronic equipment the delivery of which had been held up, and some 25-pounder ammunition ordered by Israel but on which a decision had yet to be made.

5. *During the discussion* the following points emerged:

(a) The sale of 25-pounder ammunition should be allowed. If it were not, this would be regarded as very unfriendly by the Jewish population of the country. However, the sale should not be approved until some time had elapsed after the lifting of the embargo, and after talks had been held with the U.K., the U.S., and France on Middle East problems.

(b) It might be said that the embargo was being lifted after consultation with our allies, in particular with the U.K. To this it was replied that the general policy on this matter was the government's responsibility and should not be determined as a result of discussions even with friendly countries.

6. *The Cabinet* noted the report of the Secretary of State for External Affairs on shipments of arms to the Middle East, and agreed that the recently imposed embargo be lifted with effect from the time of announcement in the House of Commons,[16] and that the authorization of export of 25-pounder ammunition to Israel be withheld until after the matter had been discussed with the United Kingdom and United States.

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[16] Le 20 janvier, le premier ministre a annoncé un embargo sur les envois d'armes au Moyen-Orient, en attendant la tenue du débat sur les affaires étrangères à la Chambre des Communes. Voir Canada, Chambre des Communes, *Débats*, 1956, volume I, p. 360. L'embargo a été levé le 6 février. Voir Canada, Chambre des Communes, *Débats*, 1956, volume I, pp. 920 à 921.

On January 20, the Prime Minister announced an embargo on arms shipments to the Middle East pending the debate on foreign affairs in the House of Commons. See Canada, House of Commons, *Debates*, 1956, Volume I, p. 344. The embargo was lifted on February 6. See Canada, House of Commons, *Debates*, 1956, Volume I, pp. 880-881.

13. DEA/50000-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], February 13, 1956

EXPORT OF ARMS TO THE MIDDLE EAST

It would appear desirable to review policies relating to applications for export permits to ship arms to the Middle East. Such a review seems useful, both in the light of the recent discussions of this matter in the House of Commons, and following the visit of United Kingdom Ministers to Washington and the discussions on this subject which they held there and subsequently reported to you.[17]

2. The Prime Minister has announced that the Government will continue to examine applications upon their merits in accordance with the general principles which have applied previously. In this context, it is important to take due account of the present policies of the U.K. and U.S. It is perhaps too early to judge how their policies, as agreed recently in Washington, will work out in practice, but it seems clear that no absolute embargo on shipments to either Israel or Egypt is intended. On the other hand, it is unlikely that either of those governments would be willing in the near future to release any substantial arms items to Egypt. The releases which they may be willing to make to Israel will probably be no greater and even possibly rather less than they have been. Neither the U.S. nor U.K. at this stage appears to be contemplating increased or accelerated releases to Israel to offset the recent Egyptian acquisitions (at least while attempts are being made to influence the Israelis to cooperate in a possible settlement).

3. Subject to review as U.K. and U.S. practice becomes clearer, I would suggest that the Canadian Government might deal with applications in future in accordance with the following criteria:

(a) no really large shipments of any item should be released for countries in the Middle East;

(b) moderate shipments of items clearly intended for repair or maintenance of existing stocks should be released unless there are particular considerations opposing such release;

(c) moderate amounts of the few weapons which can be identified as purely defensive should be released, subject again to special considerations which may warrant withholding release in particular cases; and

(d) offensive weapons should not be released.[18]

4. While I think these criteria may be useful, I should not expect that they could be readily applied without more detailed interpretation. Taking account of the general situation, I should imagine that the Government would wish to be even more cautious about releases to Egypt, Syria, or Saudi Arabia than about releases to Israel. Items intended only for maintenance of existing stocks are not always readily determined, and in cases of doubt it is probably desirable to be cautious. Even small shipments of ammunition, for example,

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[17] Voir/See Document 695.

[18] Pearson a écrit le mot "purely" avant "offensive weapons."
Pearson wrote the word "purely" before "offensive weapons."

which may be only enough for legitimate training purposes on any reasonable calculation of normal wastage, may in fact be used directly in military operations on arrival or be used for stock-piling if shipments of the same type sufficient for training requirements are being obtained from other sources at the same time. Purely defensive weapons are equally difficult to identify, but I think that some types of anti-aircraft gun with limited trajectories and some land-mines would probably fall into this category. For both these categories (i.e. defensive weapons and maintenance items) the advice of the Joint Intelligence Bureau will be of great importance.

5. You may consider it desirable for us to prepare a memorandum for Cabinet working out the suggestions above somewhat more carefully and in greater detail. On the other hand, you may wish us to carry on in accordance with existing procedures, taking account of the considerations outlined above and of any comments you may wish to add to them. In accordance with what has preceded, I might mention five particular cases that are now under consideration and suggest a decision for each of them; these are not the only Middle East applications on hand, but they provide a representative group.

(a) We have a request from Israel for $1200 worth of electronic equipment intended to service wireless sets of a type which the Israeli army is known to possess. The J.I.B. would have no objection to this export, and I think it would be difficult to refuse unless a policy of total embargo is intended. I therefore recommend that this application for a permit be approved.[19]

(b) Last summer Cabinet approved the release, at the rate of 60 guns per three months, of 600 30-calibre Browning machine guns ordered by Israel.[20] This decision would take effect beginning April 1st, 1956, following completion of delivery of the earlier order for 200 of these guns. The Israeli Government was informed of the decision to release the 600 guns and was also informed of the condition imposed by Cabinet that the decision might be reconsidered "if the situation should deteriorate seriously in the interval". It can safely be said that the situation has deteriorated seriously in the interval, although it would be more difficult to argue that this deterioration is solely or even primarily the fault of Israel. 600 of these guns is a fairly substantial quantity (even when spread over about 2 1/2 years), and they are of general as opposed to purely defensive use. While the J.I.B. does not believe that they would destroy the balance of strength in the Middle East (mainly because of the substantial armaments now being obtained by Egypt), it would be my own recommendation that the Government should invoke the escape clause included in last summer's decision and should now refuse to release these guns. The reason given to the Israelis could be the deterioration of the situation in the Middle East, but an additional reason would be the fact that these guns have an offensive capability and we are doubtful that their release can be justified in terms of replacement use.[21]

(c) Cabinet has not yet considered the application to release 1754 rounds of 25-pounder shot. The amount is small, probably justifiable in terms of normal training needs, but it is for use with a heavy weapon of offensive capability. I have suggested above that it might at present be desirable to resurrect the criterion that new weapons shipments be limited to defensive items, and while this does not directly cover ammunition, it may have some bearing. For this reason, and because there is some possibility that the U.S. and U.K. have agreed to "squeeze" Israel and might regard the release of this shipment as affecting such a squeeze, I would recommend that a decision be deferred and the U.S. and U.K. be consulted.[22]

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[19] Note marginale :/Marginal Note:
I agree L.B. P[earson]

[20] Voir Volume 21, les documents 556-558.
See Volume 21, Documents 556-558.

[21] Note marginale :/Marginal Note:
We could have another look at this in 2 months time. [L.B. Pearson]

(d) You will recall that the Israelis have pressed you on several occasions to release their order for seventy 6-pounder anti-tank guns. As in the case of the Browning machine guns, this constitutes a fairly substantial order and these guns have a mixed offensive-defensive capability. Even prior to the Lake Tiberias incident and the recent discussions in Washington, both the U.K. and the U.S. had some misgivings about releasing these guns to Israel. In the present circumstances, I would recommend that they be not released.[23]

(e) The Canadian Commercial Corporation has been asked if it can provide for the Israeli Government the drawings necessary for converting the River-class frigates now held by the Israeli Navy into anti-submarine vessels equipped with (i) squids, (ii) four 40-mm. anti-aircraft guns and (iii) Mark 19 twin four-inch dual-purpose guns. The drawings can be made available and it appears that there are no security objections to their release. The J.I.B. have pointed out that the proposed alterations to these vessels are not merely a matter of bolting a few guns to the deck surface but would involve something fairly close to major reconstruction of the hull. Thus, the process is likely to be considerably more expensive than the Israelis may suspect. These drawings are of Canadian origin, and the Israelis were advised by the U.K. to apply to us for them. The alterations which they would permit would as their major effect serve to increase the defensive and anti-submarine capabilities of the vessels in question, although the addition of four-inch dual-purpose guns might provide an increase in offensive fire power. By far the most important change, however, would be the addition of the squids, which I understand are solely an anti-submarine weapon. In the circumstances, I would recommend (subject to J.I.B. advice which has been requested but not yet received) that these drawings be released. The Israelis should be warned, if the drawings are delivered, that the alterations proposed are very far-reaching and expensive and that they should consider carefully whether it is advisable to proceed with them.[24]

6. I should be grateful for your comments on the criteria which have been suggested above and on the recommendations made on the five particular cases.

7. You might also indicate whether for the time being you would wish us to suspend the previously established procedure and refer to you *all* applications for arms exports to the Middle East, regardless of size.[25]

J. L[ÉGER]

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[22] Note marginale :/Marginal Note:
This has been done. [L.B. Pearson]

[23] Note marginale :/Marginal Note:
I agree L.B. P[earson]

[24] Note marginale :/Marginal Note:
Yes L.B. P[earson]

[25] Note marginale :/Marginal Note:
Yes. I will take all these up at the next Cabinet. L.B. P[earson]

F2

14. **PCO**

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], February 15, 1956

Present

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

. . .

ISRAEL; EXPORT OF ARMS; 25-POUNDER AMMUNITION (PREVIOUS REFERENCE FEB. 3)

20. *The Secretary of State for External Affairs* said he would no doubt be questioned soon on the last Israeli order for 25-pounder ammunition. He proposed to say, in reply, that shipment had been postponed until the discussions between the United States, the United Kingdom and France on security in the Middle East were concluded, and information about these talks was available to Canada. This corresponded with the position taken last fall when the middle east situation was before the U.N. General Assembly.

21. *The Cabinet* noted with approval that the Secretary of State for External Affairs proposed to state that the export of 25-pounder ammunition to Israel had been postponed until the United Kingdom-United States-French discussions on middle east security had been concluded and information on these talks was available.[26]

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[26] Voir Canada, Chambre des Communes, *Débats*, 1956, volume II, p. 1247.
See Canada, House of Commons, *Debates*, 1956, Volume II, p. 1201.

15. DEA/50000-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], February 22, 1956

EXPORT OF ARMS TO THE MIDDLE EAST

In my memorandum of February 13th I suggested certain criteria which might be applied in future to applications for export permits to cover arms shipments to the Middle East. I went on to consider five particular applications now pending, and suggested decisions based on the criteria I had proposed. You commented on each of the five individual cases. Then at the end of the memorandum you indicated that you would wish to have all applications for arms exports to the Middle East, regardless of size, referred to you for approval at least for the present. You added a final comment that you would "take all these up at the next Cabinet".

2. I assume it is your intention to raise the general subject in Cabinet tomorrow morning and perhaps to obtain Cabinet approval for the decisions you have taken on the particular cases. I attach the memorandum of February 13th to which I have referred. I have set out below in condensed form a table listing the five particular applications mentioned and the recommended decisions; at the end of that table I have added the other applications for shipments to the Middle East which are now outstanding:

Outstanding Applications for Arms Shipments to the Middle East

. . .

6. *Egypt*—$2,335.10 worth of Harvard aircraft parts for the Egyptian air force. These parts are presumably intended for servicing Harvard aircraft already held by the Egyptian forces; JIB has informed us that Egypt has a number of Harvards quite apart from the 15 at present being shipped from Canada. JIB comments on this application have not yet been received but assuming that JIB has no objection, I recommend release of this order.

7. *Lebanon*—$956.92 worth of Harvard aircraft parts. Assuming JIB has no objection to this shipment, I would recommend that it also be released.

8. *Israel*—$136,361.59 worth of spare parts for Sherman M4 tanks. You will recall that a substantial order for tank parts for Israel was approved during 1954 but delivery did not take place during the validity of the permit. A new permit was approved in 1955 to cover most of the order originally placed in 1954 and deliveries have been proceeding under that new permit up to the present time. The permit has now expired, however, and delivery is not yet completed. This new application is intended to cover the unshipped balance of the order approved in 1955 and Trade and Commerce have satisfied themselves that no new items are included other than those for which approval was previously given. It is not surprising in an order of this size and diversity that delivery should take considerable time and I would recommend that approval be given for the release of this unshipped balance.

R.M. M[ACDONNELL]
for Under-Secretary of State
for External Affairs

16. DEA/50000-A-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], March 6, 1956

EXPORT OF 25 POUNDER AMMUNITION FOR ISRAEL

The Israeli Embassy has enquired several times recently about the order for 1754 rounds of 25 pounder shot. They are concerned, as a result of your announcement in the House that the Government had deferred a decision pending the outcome of the tripartite talks in Washington, lest what is described as a deferred decision on this and by implication on other items should in fact be a policy to impose a complete embargo by administrative delay. We have explained that there is no such decision on the part of the Government, either on this order or on the various others which are also outstanding.

You directed us to seek the views of the U.K. and U.S. governments concerning the proposed release of this ammunition. I attach copies of the replies† which have been received from Washington and London. You will notice that the U.K. authorities freely assent to the proposed release, while the U.S. authorities have had certain misgivings (which appear to us to relate more to U.S. domestic politics than to the merits of the case). The U.S. authorities have finally stated, however, that while in their present circumstances they would not themselves release this ammunition they see no objection to Canada's doing so.

It has been our own view throughout, and there is support for it in the U.K. and U.S. comments, that the proposed shipment is not of military importance. While the U.K. and U.S. are seeking to apply some "squeeze" on the Israelis in the matter of arms shipments, we have been informed that this does not extend to limited shipments of spares and maintenance and replacement parts. As a shipment of this size can properly be regarded as replacement for reasonable training needs, it would not appear to fall within the scope of the "squeeze".

To withhold this shipment would appear in Israeli eyes to imply a policy of almost complete embargo. This particular shipment has already been cleared once, and the Israelis so informed; to continue to withhold it now would be regarded by them as something like a breach of faith. For these various reasons, I recommend that you approve the release of this order, or alternatively that you seek the approval of Cabinet for its release. Should you decide to discuss the matter in Cabinet, it would be convenient if you could take up at the same time the other cases mentioned in my memorandum of February 22 and the criteria suggested in my memorandum of February 13. New applications continue to come in, and we are holding some six new cases in suspense pending an indication of your views on those two memoranda.

I attach for your convenience copies of the relevant telegrams from London and Washington (London: No. 219 of February 29, Washington: No. 310 of February 22, and No. 338 of February 27†).[27]

J. L[ÉGER]

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17. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], March 8, 1956

Present

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson)
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald)
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce)
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office, (Mr. Lamontagne).

. . .

ARMS SHIPMENTS TO THE MIDDLE EAST
(PREVIOUS REFERENCE FEB. 3)

63. *The Secretary of State for External Affairs* reported that a ship had sailed from New York and would probably arrive in Halifax on Saturday, March 10th to take delivery of nine Harvard trainer aircraft, which represented the uncompleted portion of an order for Egypt. On Wednesday the Prime Minister had said in the House of Commons that a statement would be made when a decision had been reached as to whether or not the government should interfere with the completion of this order in the light of the situation in the Middle East.[28]

There were two different problems; the shipment of the Harvard aircraft to Egypt, and the requests for arm shipments received from several other countries including Israel.

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[27] Note marginale :/Marginal Note:
I would like all outstanding arms applications to be put on the next Cabinet agenda L.B. P[earson]

[28] Voir Canada, Chambre des Communes, *Débats*, 1956, volume II, pp. 1939-1940.
See Canada, House of Commons, *Debates*, 1956, Volume II, pp. 1882-1883.

The Minister recommended that the Prime Minister make a statement in the House of Commons the following day announcing that the Canadian government had decided not to interfere with the shipment of the Harvard aircraft to Egypt and that two outstanding orders received from Israel should be approved if there had been an improvement in the Middle Eastern situation in the following week.

64. *During the course of the discussion* the following points emerged:

(a) It might be desirable to postpone the decision on the Harvard aircraft until the ship had arrived in Halifax and to consider then how the situation in the Middle East had developed. It would be dangerous to make a decision immediately with the intention of announcing it only on Friday because the government would probably be asked that afternoon whether or not a decision had been made.

(b) Nothing short of an open conflict in the Middle East would justify the government in interfering with the shipment of the Harvard aircraft. This was the uncompleted portion of an order with a Canadian private company and had already been paid for. The Canadian government had always maintained that the trainers had no military value, but if war were declared, then all shipments to the areas involved in the conflict would be stopped.

(c) Orders for tank parts and for 25-pounder shells had been received from Israel and the order for tank parts authorized in 1954. A permit issued in 1955 had now expired and an application for a new one was now being made to cover the uncompleted portion of the order. To accept this application now would be inconsistent with the statement made by the Prime Minister that no new permit would be issued for this area until the situation had improved. Acceptance of the purchase order for 25-pounder shells, which were to come from government supplies, had not been approved by the Treasury Board but referred to the Cabinet for decision.

(d) From the point of view of public opinion in Canada, it might be preferable to apply the same decision to Israel's order for tank parts and to Egypt's order for Harvard aircraft.

(e) Consideration should be given as soon as possible to the outstanding orders for arm shipments to several countries and to the general policy that should apply on arms sales. It could be argued that such sales should be restricted to members of the North Atlantic Treaty Organization and perhaps of the Commonwealth. However, it would be difficult to maintain a distinction between those countries and the others. Moreover, arms exports would help to strengthen the Canadian industry and what Canada would refuse to sell would be sold by other countries.

65. *The Cabinet* noted the report of the Secretary of State for External Affairs on arms shipments to the Middle East and agreed:

(a) that the Canadian government should not interfere with the shipment to Egypt of the uncompleted order for Harvard aircraft;

(b) that the Prime Minister should make an announcement to that effect in the House of Commons either that day or on Friday, depending on the expected time of arrival in Halifax of the ship to load the Harvard trainers;[29] and,

(c) that the outstanding orders for arms shipments to other countries and the general policy on arms exports be considered at a subsequent meeting of Cabinet.

R.B. BRYCE
Secretary to the Cabinet

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[29] Voir Canada, Chambre des Communes, *Débats*, 1956, volume II, pp. 1971-1972.
See Canada, House of Commons, *Debates*, 1956, Volume II, pp. 1915-1916.

18. DEA/50000-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], March 9, 1956

POSSIBLE CANADIAN MEMBERSHIP IN NEACC

In my memorandum of January 13[30] I reported the opportunity offered us to join the Near East Arms Coordinating Committee (NEACC) established some time ago by the United Kingdom, the United States and France and recently expanded to include Italy. I outlined at that time the considerations which had led us to defer any formal recommendation on whether or not Canada should join.

Recently Mr. Heeney has repeated to you his earlier suggestion that it would be to Canada's advantage to join, and has called this conversation to my attention in his telegram No. 318 of February 24† (attached). I understand that you incline to his view that it would be to our advantage to become a member.

I attach a copy of a departmental memorandum of November 30, 1955,[31] in which the pros and cons were assessed and the conclusion reached that it would probably be better to defer a decision concerning Canadian membership, although there was a strong inclination on the part of officials against Canada joining. I believe that that conclusion was justified at that time, but that it should be reviewed in the light of recent developments.

Since that memorandum was prepared there have been public debates in the United Kingdom and the United States on the export of arms to the Middle East. Those debates, and report concerning French shipments to the area, suggest that NEACC has had limited success as an instrument for developing and applying among its members an agreed Middle East arms export policy. Perhaps the current review, which is almost completed and as one result has led to the accession of Italy and the informal invitation to Canada, will render it more effective. The NEACC reorganization, and this will presumably apply also to the Committee's activities when they are resumed upon completion of that reorganization, is however limited strictly to arms export policy matters. The three great powers have kept out of the NEACC framework their coincident Washington consultations on general Middle East policy. This example, and the addition of Italy to the membership, suggest that membership in NEACC might not provide as fruitful access to great power thinking on general Middle East problems as might earlier have appeared.

It is still my view that informal bilateral consultation with the United Kingdom and the United States such as we have at present, while perhaps not perfect, is sufficient for our needs on arms export policy. You may consider that it would be useful, in the public presentation of our arms export control policy, to be able to refer to formal arrangements for consultation. Nevertheless you are already able to refer, as you have done recently, to satisfactory informal arrangements. There is the additional point that too frequent public reference to a body such as NEACC would inevitably impair its effectiveness. Any increase in information which might be gained through membership in NEACC would, I suggest, be limited pretty closely to arms export matters, since I should imagine that we already get at least as good an insight into United Kingdom and United States thinking on more general Middle East problems as we would obtain in a committee in which France and Italy are members. On the other hand, with regard to the arms export problem itself, the membership still does not include such countries as Belgium, Sweden and Switzerland and thus the consultation obtained is not as complete as might be desirable.

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[30] Voir/See Volume 21, Document 547.

[31] Voir/See Volume 21, Document 546.

Thus I am still led to the conclusion that the advantages of membership would not, for us, be very important. What I would regard as the significant disadvantage still seems to me a real one, namely the risk of indirect commitment in possible great power responsibilities in the area. This risk may indeed have increased in recent weeks when the three powers have been giving active consideration to possible emergency action in the event of a serious outbreak such as might occur along the armistice lines or on the Jordan river. While it is true that the separation of the tripartite policy talks from the NEACC review lessens the likelihood of NEACC being used as an instrument for elaborating a policy of intervention, the increase in the possibility of such interventionist plans being worked out by the three powers seems to me to offset this.

I would still conclude that the risk of involuntary commitment more than outweighs the advantages of membership, but I recognize that the balance is close and a number of the factors on either side of the argument cannot be too accurately assessed. I should be grateful for your comments.[32]

J. L[ÉGER]

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19. DEA/50000-A-40

Note de la direction du Commonwealth et du Moyen-Orient pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Commonwealth and Middle East Division to Under-Secretary of State for External Affairs

SECRET [Ottawa], March 12, 1956

ISRAELI AMBASSADOR'S INTERVIEW WITH THE MINISTER

Mr. Comay came to see the Minister at 5 p.m. on Friday, March 9. He said that in view of the renewed discussion in the House on the export of arms to the Middle East he had come to inquire how matters stood with regard to current Israeli applications. He handed the Minister a list† (copy attached) of outstanding orders and requests.

2. Mr. Pearson informed the Israeli Ambassador that he intended to recommend to Cabinet that immediate approval should be given for the export of the 25 pounder shot and of two smaller items which did not appear on the Ambassador's list, i.e., a small amount of electronic equipment and specifications (drawings) for anti-submarine conversion of certain vessels. The Minister expressed the hope that once approval had been granted it would be possible to carry out exports quickly, so as to avoid publicity which might be embarrassing in the present political atmosphere. He did not believe that Cabinet would be disposed to approve the export of other items immediately but assured Mr. Comay that they

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[32] Note marginale :/Marginal Note:

Your argument against joining but in favour of maintaining close contact with NEACC is impressive and I am willing to accept it. But we must make sure that the existing informal but close contact with Wash[ington], London & Paris is maintained on all arms shipment proposals for the Middle East. L.B. P[earson] would be kept under review and he thought that some of them might be released in the future. Particular mention in this regard was made of Item 6. on the Israeli list — the 3.7 anti-aircraft guns. Mr. Pearson said he did not recall the details of this order but he would look into it.

3. Mr. Pearson drew Mr. Comay's attention to the position taken by the Prime Minister in the House on March 6, when he stressed the importance, in considering applications for permits, of whether "the situation in the Middle East seems to ease". He said he felt sure the Israeli Ambassador would realize that the Government would have to act, in considering arms application to the Middle East, within the spirit of this statement of the Prime Minister. Mr. Pearson related to this situation his own statement in the House on March 9, in which he said that "the situation seems to have eased somewhat". He pointed out that his recommendation for approval of the export of the 25 pounder shot would come before Cabinet in this context. Mr. Comay would understand, therefore, that if incidents should occur in Palestine, the Cabinet would have to determine whether the situation seemed to warrant further shipments.

4. Mr. Comay said that there had been a misunderstanding in the public mind in Israel and a certain amount of resentment because of the fact that the Harvard aircraft were released to Egypt, while shipments to Israel had been held up. Mr. Pearson replied that this was an unfortunate impression and that it was quite erroneous to believe that there had been any discrimination. Misunderstanding had been caused by the technical consideration that the Harvards had been released to Egypt before the recent renewal of discussions in the House on export of arms to the Middle East and had been cleared by Customs. In the case of the Harvards specific Government action would have been necessary to stop their shipment, while the Israeli arms applications now under review required Government action to clear them. Careful consideration had to be given to any current applications for arms exports to the Middle East because of the conditions in the area and because of public concern with them in this country. The Minister felt sure that Mr. Comay would appreciate the fact that Israel had received considerably more arms from Canada than had the Arab countries. Mr. Comay agreed and said that of course an embargo would be bad for Israel.

5. At the end of the interview Mr. Comay spoke in general terms about the position of Israel and the attitude of the West towards it. He hoped that Western nations would now make a practical reappraisal of their policy in the Middle East based on a realistic judgment of the actual value to the West of Israel and of the Arab countries. He also suggested that to ascribe Western difficulties with the Arab powers to the troubles caused by the establishment of the state of Israel was a superficial interpretation of events. He thought that the West would in any case have become embarrassed by an inevitable historic process of Arab nationalism and anti-colonialism. Mr. Pearson said that these issues would of course be a matter for close study at this time.

P.G.R. CAMPBELL

20. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], March 15, 1956

Present

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Health and Welfare (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

. . .

EXPORT OF ARMS TO THE MIDDLE EAST; POLICY (PREVIOUS REFERENCE MARCH 8)

20. *The Secretary of State for External Affairs* reviewed existing means of dealing with export permit applications for arms shipments to sensitive areas. In general, these appeared to be satisfactory but improvement of certain points was needed. There should, for example, be a more careful examination of permits in advance of shipping times. He proposed to submit a revised memorandum on the subject in the near future.

As regards the Middle East, he felt that no releases should be made to that area without the approval of the Cabinet, except for small amounts of under $2,500 which could be dealt with by the Ministers concerned. Of the outstanding applications he recommended that the 25-pounder ammunition for which an export permit had been issued, $1,200 worth of electronic equipment, and $137,000 worth of tank parts, the residue of an old order, be released to Israel. There were also two other orders from Israel, — one for 600 Browning machine guns and the other for 70 6-pounder anti-tank guns. Both types of equipment had an offensive capability and the quantities were appreciable. He therefore thought release should be deferred for the time being.

An explanatory memorandum was circulated.

(Minister's memorandum, March 15, 1956 — Cab. Doc. 67-56)†

21. *Mr. Pearson* added that, in his view, the greatest immediate danger in the Middle East could be a feeling of despair and frustration in Israel. Israelis knew they were getting weaker in comparison with their Arab neighbours, and a group felt they should forestall a

defeat by provoking a conflict and taking action now. This feeling was making an impression in London and Washington, and the United States might, as a result soon release a substantial quantity of arms to Israel. Disturbing reports were being received about Russian activities. In addition to shipping ordinary arms to the Arabs, there was evidence that the Soviets were also sending sabotage material into Arab territories. It was known, too, that 200 Egyptians were being trained as "commandos" by the communists at Odynia in the Baltic.

A good deal of diplomatic activity was taking place in London, Paris, and Washington in an effort to produce a long-run political solution to the middle eastern problem. The U.S. was going to make a proposal to the Security Council. The proposal itself seemed to be a useful one, but if it was to be successful in the council the U.S. would be well-advised to consult the Russians first. At the moment this looked unlikely. The Russians were active in a large way in the Middle East now and springing a resolution on them in the Security Council without any warning might prejudice any chances of success.

On the question of arms for the Middle East the U.K. and U.S. had no intention of departing from their 1950 declaration. In the past Canada had consulted the U.K. and U.S. about shipments and had not received bad advice. A U.K.-U.S.-French committee was now considering policy in regard to that area and Canada had been asked to join. It seemed inadvisable to do so but Canada should continue to consult these countries.

22. *During the discussion* the following points emerged:

(a) It could legitimately be said that the situation in the Middle East had eased temporarily. Ten days ago certain Arab troops were massing on the Israeli border and a number of unfortunate incidents had occurred. However, nothing untoward had happened and there had been no incidents in the meantime. From the long-run point of view, however, the situation remained serious.

(b) It was doubtful if a distinction could be made between the 25-pounder ammunition and the machine guns. However, it had been said that the shell order would remain under consideration until the situation had eased and this had, in a sense, happened. The machine gun application was not publicly known. The strongest cases could be made for the tank parts. Only a technical lapse of a permit prevented shipment. Although there were doubts about the 25-pounder shells, it would be a mistake to abandon help to Israel. Furthermore, Canada was probably the only source of supply for this kind of ammunition at the present time.

(c) The shipments proposed, even the one for electronic equipment, were really uncompleted transactions. The situation had eased somewhat and, if these could be cleaned up, there would be no embarrassment in the future except in the unhappy event of a war in the area. Any statement to be made should include a reference to all three items and precise details should be available in the event of questions.

23. *The Cabinet* noted the report of the Secretary of State for External Affairs on arms exports to the Middle East and agreed,

(a) that 1754 rounds of 25-pounder ammunition, $1,200 worth of electronic equipment and $136,361 worth of tank parts (the residue of a large order), be released to Israel; an announcement to be made accordingly;

(b) that any issue of a permit to export 600 Browning machine guns and 70 6-pounder anti-tank guns to Israel be deferred, and reviewed in a few weeks time; and,

(c) that the general policy governing arms exports be brought up to date and considered at an early meeting.[33]

. . .

21. DEA/50000-A-40

Le chargé d'affaires de l'ambassade en Israël
au sous-secrétaire d'État aux Affaires extérieures

Chargé d'Affaires, Embassy in Israel,
to Under-Secretary of State for External Affairs

LETTER NO. 109 Tel Aviv, March 16, 1956

CONFIDENTIAL

Reference: Your telegram No. K-14 of March 12/56†

EXPORT OF CANADIAN MILITARY EQUIPMENT TO THE MIDDLE EAST

I was glad to have received your telegram under reference yesterday, since Mr. Sharett raised the matter with me in the course of one of my periodic calls on him today to discuss general developments. The Foreign Minister said he had noted that Canada had recently released Harvard aircraft to Egypt, but that we were still withholding action on some Israeli requests. He then expressed the hope that we would be able to approve the shipment of Israeli orders in the near future. In view of the inference of discrimination, I reiterated the points made in your telegram, of which he was presumably already aware from the Israeli Ambassador in Ottawa. Sharett did not however seem over-impressed, which reflects, I think, the present mood of the Israeli Government. The authorities here are inclined to view any military equipment sent to an Arab State, regardless of how insignificant or the circumstances involved, as an accretion to the overall military potential of the Arab States and, therefore, as an increase in the security threat to this country.

2. It may well be that some people in Israel have drawn erroneous conclusions concerning the export of Harvard aircraft to Egypt, coming as it has during a period of emotional tension in Israel, and when Israeli requests for arms in the United States have not been making any headway. Each time the export of these Harvard aircraft was raised in the House of Commons it was reported briefly by the Israeli press. One report, unfortunately, added that Harvards can readily be armed and provided with bomb racks, which may have given some Israelis false ideas of the military value of this type of aircraft. However, the Minister's statement in the House of January 17 dealing with the supply of Harvard trainers to Egypt received front page coverage here. While that portion of the Minister's statement of January 24 dealing with arms exports received very little attention, and the further reference in it to the Harvard aircraft question was not carried by most newspapers, nevertheless the press did, as a whole, list the total quantities of military equipment for which Canada had issued export permits in 1954 and 1955 to Israel and Egypt respectively.

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[33] Le Cabinet n'a pas discuté de sa politique générale en matière d'exportation d'armes pendant la période visée par le présent volume.
Cabinet did not discuss its general policy on arms exports during the period covered by this volume.

3. At no time have we seen any suggestion in the Israeli press that Canada has discriminated in any way in its arms export policy to the Middle East, or even in the matter of the release of the Harvard aircraft to Egypt. Nor have any newspapers so far tied these two questions together. While we would not doubt that some Israelis, for one reason or another, may not have a clear understanding of the situation, we have received no indication of public resentment having been created in Israel as a result.

4. Mr. Sharett's indirect linking of the export of aircraft to Egypt with Israeli arms applications at present under review in Canada was the first official indication of this nature that I have received from the Foreign Ministry. Since, however, he was unwilling to be very explicit, I rather suspect that he was choosing to suggest a possible misinterpretation in the hope that this might expedite Israel's current arms requests.

GEORGE P. KIDD

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22. DEA/50000-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], March 19, 1956

EXPORT OF ARMS TO THE MIDDLE EAST

I attach for your signature, if you approve, a letter† to the Ambassador of Israel based on the Prime Minister's statement in the House on March 16[34] concerning the decision to approve the release of three arms orders for Israel. The letter goes on to identify the two applications mentioned by the Prime Minister on which decisions were "deferred", and to explain what this actually meant — namely, that a decision had been taken not to release the items in question at present.

The letter then gives an explanation of the present situation on two other applications for 40 mm. and 3.7" anti-aircraft guns. The Israeli authorities appear to believe that the 3.7" guns are being held up as a matter of policy, and you may consider it desirable to clear up this misunderstanding without, of course, making any binding commitment for the future.

Finally the letter refers to other outstanding export permit applications. The majority of these have been reported to you in earlier memoranda. I have set out these other applications in tabular form below, including four for shipments to Arab countries, with my recommendation in each case. I would suggest that in most cases the items are such that you might yourself decide on the course to be followed, but there are some (e.g. the Harvard parts for Arab countries) which you might wish to mention in Cabinet if you have not already done so.

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[34] Voir Canada, Chambre des Communes, *Débats*, 1956, volume III, pp. 2271-2272.
See Canada, House of Commons, *Debates*, 1956, Volume III, pp. 2203-2204.

A. *Recommended for Approval*

(In all these cases J.I.B. approval has been obtained, and the Divisions concerned see no objection).

1. $80 worth of radio crystal vibrators for Israel, for army wireless sets.[35]

2. $2,730 worth of spare parts for C-47 civilian passenger aircraft to go to the Arabian American Oil Company in Saudi Arabia.[36]

3. $60 worth of aircraft engine parts for Israel.[37]

4. $260 worth of aircraft engine parts for Israel.[38]

5. $280 worth of aircraft engine parts for Israel.[39]

6. Quotations to be provided by the Canadian Commercial Corporation to the Government of Israel on 500 chests for .30 calibre machine gun ammunition belts and 500 belts for such ammunition.[40]

B. *Recommended for Approval if J.I.B. Concurrence is Obtained* (J.I.B. comments have not yet been received, but the Divisions concerned see no objection.)

1. $750 worth of Chipmunk aircraft non-military spares, reported by de Havilland on the application to be for use in maintenance of Chipmunk aircraft exported under permit in 1951 to the Egyptian army.[41]

2. $2500 worth of aircraft engine parts for Israel.[42]

C. *Recommended for Deferment* (i.e. not to be released at present)

1. $956.92 worth of Harvard aircraft parts for Lebanon. There is no technical objection to the release of these parts, which appear to be entirely of a non-armament character, but in view of the fact that they are for military training aircraft I understand you prefer not to approve their release at present.

2. $2,335.10 worth of Harvard aircraft parts for Egypt. (See comment under C 1 above).

J. L[ÉGER]

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[35] Note marginale :/Marginal Note:
OK [L.B. Pearson]

[36] Note marginale :/Marginal Note:
OK [L.B. Pearson]

[37] Note marginale :/Marginal Note:
OK [L.B. Pearson]

[38] Note marginale :/Marginal Note:
OK [L.B. Pearson]

[39] Note marginale :/Marginal Note:
OK [L.B. Pearson]

[40] Notes marginales :/Marginal Notes:
Value? [L.B. Pearson]
$1995 [J. Léger]
OK [L.B. Pearson]

[41] Note marginale :/Marginal Note:
OK [L.B. Pearson]

[42] Note marginale :/Marginal Note:
OK [L.B. Pearson]

23. DEA/50000-C-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], May 10, 1956

EXPORT OF ARMS TO THE MIDDLE EAST

I should be grateful for your views on twelve applications for arms export permits for shipments to the Middle East. I have outlined each of these cases below, and I attach a tabular summary.†

I should like first to mention three for Israel, none of which has been brought to your attention previously.

(1) Three cases of Packard Merlin aircraft engine parts, valued at $3000. There is no objection on the part of National Defence, and as these are non-armament parts presumably intended for the routine maintenance of present aircraft holdings I recommend that the application be approved.[43]

(2) 190 "Aerial Bases" valued at a total of $104.50. I am informed that these are bases or sockets for mounting aerials for No. 19 army radio sets. National Defence has no objection, and I recommend that this application be approved.[44]

(3) 50 transformers and rectifiers, valued at a total of $237.50. These are suitable for the conversion of a standard 110 volt alternating current power supply to direct current, presumably to power electronic (communications) equipment of some sort. National Defence has no objection, and I recommend that this application also be approved.[45]

The next two applications were discussed in my memorandum of March 19. They are for the shipment of Harvard aircraft parts, $956.62 worth to Lebanon and $2,335.10 worth to Egypt. In my earlier memorandum I recommended that these applications be deferred (i.e. not approved at that time); you made no comment on that recommendation, and we have taken no further action. The supplier has in the meantime enquired of Trade and Commerce when he may expect an answer. Is it still your wish that a definite decision should be deferred on these two applications?[46]

Three different permits for shipment of Harvard aircraft parts to Egypt are now expiring. The original permits, which we approved on May 13, November 2 and December 1, 1955, covered amounts of $81,657.00, $245.00 and $2,426.00 respectively. These permits expire May 18, May 4 and June 2 respectively (all were originally issued for six months but the first one was extended for a further six months when it came due for expiry on November 18). The unshipped balances are $14,073.74, $74.59, and $838.00 respectively, and no ship is available to take these residual quantities until June 10. We have therefore been asked if we are prepared to agree to the extension of all of these permits until about June 12 or June 15 in order that deliveries may be completed. It is my own view that we should not intervene in such a way as to prevent the completion of delivery on these orders since the fact would probably become known and could be represented as implying serious concern about the military capabilities of Harvard aircraft.[47]

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[43] Note marginale :/Marginal Note:
OK [L.B. Pearson]

[44] Note marginale :/Marginal Note:
OK [L.B. Pearson]

[45] Note marginale :/Marginal Note:
OK [L.B. Pearson]

[46] Note marginale :/Marginal Note:
I think that these might go forward now [L.B. Pearson]

There is an application for a permit to export, to a UK firm for re-export to the Egyptian Ministry of War, $5,620 worth of spare parts for Staghound trucks. These appear from the list to be entirely non-armament maintenance parts, but the application states that they are "for use on military vehicles". National Defence has no objection, and I see no reason why approval of this application should not be given.[48]

On the final three applications we are awaiting comments from National Defence. One is for $1,400 worth of (brass or copper) forging rod for the Israeli Ministry of Defence; we assume this material could be used for the manufacture of cartridge cases. If National Defence has no objection, I would recommend that this application be approved.[49]

Another application is for $975 worth of aircraft engine parts for Egypt. These are for the model engine used in the Harvard, and are presumably intended for use with that aircraft. We have been informed that this engine is not suitable for use in any heavier or more powerful aircraft. As in the case of the Harvard parts orders for Egypt and Lebanon mentioned earlier, there is no objection to release at the official level.[50]

Finally, there is an application for $608.56 worth of Harvard parts for Saudi Arabia. In view of the Saudi Arabian Government's mischievous and irresponsible behaviour, particularly in stirring up trouble with the UK, I recommend that action on this application be indefinitely deferred.[51] On the other hand, you will be aware that the U.S. is considering the release of some military equipment to Saudi Arabia in the near future despite this consideration.

R.M. M[ACDONNELL]

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[47] Note marginale :/Marginal Note:
I agree [L.B. Pearson]

[48] Note marginale :/Marginal Note:
OK [L.B. Pearson]

[49] Note marginale :/Marginal Note:
Yes [L.B. Pearson]

[50] Note marginale :/Marginal Note:
Yes [L.B. Pearson]

[51] Note marginale :/Marginal Note:
I agree [L.B. Pearson]

24. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT NO. 158-56 Ottawa, July 25, 1956

CONFIDENTIAL

EXPORT OF MILITARY AIRCRAFT

From time to time, and more frequently in recent months, especially from South America, we have received enquiries from foreign governments concerning possible sales of military aircraft.[52] Apart altogether from cases which obviously raise important political considerations, such as the Israeli request for F-86's, we have been disposed to deal with such enquiries very cautiously. I believe that this is desirable, since sales of modern jet aircraft have a dramatic quality and it is therefore important to weigh the consequences carefully before deciding to proceed.

Perhaps it is time, however, to examine this question as a general policy matter and without reference to any particular case, in order to determine as precisely as possible exactly what the Government's attitude is. There has I think been some tendency to regard requests for modern aircraft with some suspicion, more or less from the point of view that such sales are likely to be undesirable unless there are particular and special advantages in an individual case. It might be argued on the other hand that such sales are in fact desirable unless there are specific and particular objections in individual cases. There should of course, be as careful scrutiny of each individual case as in the past, but perhaps there should be a more precise understanding of the factors which are likely to be regarded as sufficient reason to refuse a sale and a recognition that in the absence of such factors a proposed sale is likely to be approved.

I might review briefly the arguments in favour of such sales. First there is the obvious commercial gain in selling abroad good and valuable products of Canadian industry. Related to this purely commercial consideration is an economic one of perhaps greater importance, concerning our aircraft industry itself. The domestic Canadian requirement is not likely to be sufficient to maintain the industry on an economic basis. To design and bring into production a modern aircraft is very costly, and a substantial volume of production is necessary before it is worth while. The limited Canadian demand can of course be supplemented by giving away aircraft, for example as NATO Mutual Aid, but this produces no direct economic return and thus does not directly offset the cost to Canada. To sell a moderate number of our aircraft would make it far easier to maintain the industry as an up-to-date production facility. In particular it would assist in carrying it over the transition period between the fulfilment of Canadian requirements for a particular aircraft and the coming into production of its successor, a period which now involves problems of unemployment and loss of skilled personnel. The industry, in other words, now tends to operate on a cycle tied to each new type of aircraft, and the development of foreign markets (especially in less advanced countries where aircraft becoming obsolescent by Canadian standards would still be in demand) could be most valuable in helping to smooth out the peaks and valleys of this cyclical process.

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[52] Voir Volume 23, Chapitre 5, 1ère partie.
See Volume 23, Chapter 5, Part 1.

As for the political factors, and leaving aside for the moment the question of sales to "sensitive" areas which will be mentioned below, it seems to me that there are both advantages and disadvantages. No doubt such sales to underdeveloped areas which might better use their limited resources for constructive social and economic purposes have undesirable aspects, but the fact remains that whether such countries will spend their money on military aircraft or on such things as hydro projects is not going to be settled by Canada's attitude to the sale of aircraft. For better or for worse, the South American countries (for example) are busily buying aircraft wherever they can get them. Many of these countries have already invested fairly substantially in U.K. and U.S. aircraft, and are looking for more. Some even appear to be considering purchases, which would no doubt be on favourable terms, from the U.S.S.R. In these circumstances it would seem to me that there would be real political and economic advantages in accepting in appropriate cases the role of supplier of such equipment.

At the same time we should, I think, continue to be as conscious as we have been of the particular factors relating to an individual case which might make it undesirable to proceed. Very briefly, I should expect that a proposed sale would be undesirable (a) if it seemed likely to give rise to a significant increase in international or domestic tension, or to lead to an outbreak of violence, (b) if it would appear to threaten the position, domestically or abroad, of a government with which we have friendly relations. (c) if there were over-riding technical difficulties arising from such factors as security. But I would suggest that the objections to a sale should be explicit; the mere fact that an area is considered "sensitive" need not preclude a sale of military aircraft.[53]

L.B. PEARSON

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25. DEA/50000-B-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État par intérim aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Acting Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], September 18, 1956

EXPORT OF VEHICLE PARTS TO ISRAEL

I attach memoranda of August 7 and August 30 on this subject. On the second of these you indicated your agreement with the recommendation that export be approved but subsequently, before leaving Ottawa, you asked me by telephone to hold this up for further consideration.[54]

R.M. MACDONNELL

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[53] Approuvé par le Cabinet le 25 juillet 1956.
Approved by Cabinet on July 25, 1956.

[54] Note marginale :/Marginal Note:
I would definitely go ahead now. P[aul] M[artin]

[PIÈCE JOINTE 1/ENCLOSURE 1]

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], August 30, 1956

EXPORT OF VEHICLE PARTS TO ISRAEL

I attach for your consideration a memorandum of August 7, submitted to Mr. Martin in your absence, concerning an application for a permit to export to Israel $38,498.17 worth of spare parts for military vehicles. While there was no significant objection to the proposed shipment in itself, the pattern which would govern military shipments in general for the Middle East was at that time much in question. Mr. Martin, I think wisely, considered it best to delay a decision on the application.

In the intervening three weeks it has become apparent that what might be termed routine arms shipments to Israel (i.e. those which have been permitted in preceding months) are being released by the various western governments. As this shipment would clearly fall in that category I see no reason to delay further and recommend that the application be now approved.

Here it is again![55]

R.M. M[ACDONNELL]
for Under-Secretary of State
for External Affairs

[PIÈCE JOINTE 2/ENCLOSURE 2]

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État par intérim aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Acting Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], August 7, 1956

EXPORT OF VEHICLE PARTS TO ISRAEL

Recently you approved the issue of an export permit to cover the shipment to Israel of a substantial quantity (about $379,000 worth) of spare parts for "Commercial type vehicles". In the memorandum† describing that application, I mentioned another application (on which we had not yet received a report from National Defence) for a permit to ship $38,498.17 worth of spare parts for military vehicles.

National Defence has now reported that they have no objection to the proposed shipment. You will recall, however, that it had been pointed out in our own Department that these spares were to service vehicles of a type suitable for border raiding. In view of indications that Israel may be undertaking a more aggressive border policy, there might be some advantage in delaying approval of this order. On the other hand, this amount of spare parts is not large enough to have any very significant effect; it includes a wide variety of items, in quantities of the order of 5 or 10 up to 100, and presumably is intended for routine maintenance rather than the rehabilitation of presently inactive vehicles. You may therefore consider it unnecessary to delay the release.

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[55] Note marginale :/Marginal Note:
agreed P[aul] M[artin]

I should be grateful for your guidance.[56]

R.M. M[ACDONNELL]
for Under-Secretary of State
for External Affairs

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26. DEA/50000-A-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa, November 23, 1956]

STATISTICS ON ARMS EXPORTS TO THE MIDDLE EAST

You reported to Parliament on January 24 last year on the dollar value and content of military equipment orders for the Middle East for which export permits had been issued during 1954 and 1955. You might wish to bring that report up-to-date along the following lines:

"On January 24 of this year I informed the House (Hansard, pp. 465 and 466) that in 1954 permits for military shipments to Israel had been approved to the value of $735,574.60; for Egypt $296.00; and for all other Arab states, none. For 1955 the figures were, for Israel $1,332,110.59; for Egypt $770,825.00; for all other Arab states, $70.00. At that time I gave the House an indication of the kinds of items contained in these totals.

"From January 1 to November 21 of this year permits to cover shipments of military equipment to the various governments in the Middle East were approved to the following values: for Egypt, $22,753.00; for Israel, $3,193,665.00; for Lebanon, $957.00; for all other Arab States, none.

"At this point I should like to mention that the closing date I have given for these figures, namely November 21, is purely nominal since the Government has issued no new permits for arms shipments to the Middle East since the Israeli move against Egypt on October 28, and at that same time took action to hold up all shipments under permits previously issued to permit a case-by-case study of each proposed shipment in the light of the latest information concerning the situation in the Middle East.

"Now I should like to indicate the kind of items covered by these permits, and what has happened to them. The total for Egypt of $22,753.00 consisted of permits for spares for commercial and trainer aircraft and for trucks; there were seven permits in all, the largest to cover an order for $12,190 worth of aircraft spares. The latest of these permits was issued on June 14, and the only permit still in effect at the time of the Israeli attack covered $5,620 worth of truck spares on which no shipments have so far been made. In the case of some of the other permits the actual orders delivered were somewhat less in value than the permits authorized, with the result that the total value of military equipment shipped to Egypt this year as reported by the export control authorities has been some $16,619.47.

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[56] Note marginale :/Marginal Note:
I would delay P[aul] M[artin]

"Of the total for Israel of $3,193,665.00, $2,600,000.00 covered the first eight F-86 aircraft from the total of 24 of which the release was approved by the Government on September 21 and suspended on October 29; none of these aircraft has been shipped. The remaining permits for Israel, totalling $593,665.00, covered orders for tank and vehicle spares, aircraft spares, electronic equipment, and 25-pounder shot. The value of the material shipped on this last order, which was reported to the House at the time, was $30,099.00. There were some fourteen small orders, totalling $9,777.00, consisting of vehicle and aircraft spares and electronic equipment. Finally, the total for Israel included two orders for military vehicle spares of $136,362.00 and $38,498.00, and an order for spares for vehicles of commercial type (i.e., trucks, etc.) of $378,929.00. On these last three orders deliveries up to the suspension of shipments on October 29 totalled $171,465.00; on the fourteen small orders $4,836.33. Hence the total value of actual shipments to Israel this year has been $206,400.33 consisting of an order of 25-pounder shot, some electronic equipment, and various orders for aircraft spares and military and commercial vehicle spares.

"The figure of $957.00 for Lebanon related to a single order for trainer-aircraft parts of which delivery was completed on June 26.

"To summarize what I have reported, Mr. Speaker, permits have been approved this year for shipments of military equipment to Egypt totalling $22,753.00 of which $16,619.47 has been delivered; shipments to Israel totalling $3,193,665.00 of which $206,400.33 has been delivered; and a shipment to Lebanon of $957.00 which has been delivered. No permits for such shipments to other Arab Governments have been issued. No new permits for military equipment have been issued, and no shipments under existing permits have gone forward since October 29."

J. L[ÉGER]

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27. DEA/50000-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa, November 23, 1956]

MEASURES TAKEN FOLLOWING THE ISRAELI ATTACK ON EGYPT

Within hours of the news of Israel's action, we first on your instructions verified that none of the F-86's of which release to Israel had been approved on September 20 was in a condition for shipment. The manufacturer was at that time informed that export of these aircraft would not be permitted.[57] Instructions to this effect were immediately transmitted to the customs control authorities. Subsequently on November 9 the permit which had been issued for the first eight of the 24 aircraft was formally suspended, and it will expire unused on December 5 (unless, of course, the suspension should be raised in the meantime.)

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[57] Voir/See Document 70.

Having ensured that none of the F-86's for Israel had left Canada and that none would do so, we then had instructions sent to the control authorities not to clear any shipment of military equipment on an existing permit for any of ten Middle Eastern countries without a case-by-case check with Ottawa. The ten countries were Israel and nine Arab states (Egypt, Iraq, Jordan, Lebanon, Libya, Saudi Arabia, Sudan, Syria and Yemen). About an hour and a half later (as an illustration of the effectiveness of the control machinery), we were asked for instructions concerning a proposed shipment of $250.00 worth of commercial vehicle parts under a larger order for the Israeli Ministry of Defence. On your instruction we informed the control authorities that this should be regarded as an arms shipment and not allowed to go forward.

The following day we informed Trade and Commerce that no new permits should be issued until further notice for arms shipments to any of the ten countries; Trade and Commerce had, of course, temporarily suspended the issue of permits immediately upon receipt of the news of Israel's action to obtain guidance from this Department. We explained that while no economic blockade was intended, and we did not wish to interfere with normal commercial transactions, there might be shipments proposed which could be of military significance even if they did not fall technically within the category of military equipment. We asked to be consulted on such cases, both in relation to shipments under existing permits and in connection with applications for new permits. We have in fact been consulted on several such cases, but have not considered any of them to be of a nature which would justify us in recommending that they be refused.

In summary, the issue of new permits for arms shipments to the Middle East was suspended immediately following the Israeli attack, and arrangements were made to hold up any such shipments under existing permits for review by this Department. As the two or three cases referred to us for permission to continue shipments under existing permits have all been refused, this has amounted in fact to a complete suspension of all arms shipments to governments of the Middle East. We are being consulted on non-military shipments which might be of strategic significance, but no case of this sort has so far appeared which in our judgment justified interference. It is assumed that this situation will continue until the Government determines a new policy relating to Middle East arms exports, in the light of the new situation in that area.

J. L[ÉGER]

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28. DEA/50000-A-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], January 3, 1957

CONTROLS ON ARMS EXPORTS TO MIDDLE EASTERN COUNTRIES

During December we were approached by Trade and Commerce concerning certain applications for export permits which were being held up as a result of the suspension of arms shipments to the Middle East. They were to cover the shipment to U.S.-controlled oil companies (Aramco and Mobiloil) in Saudi Arabia and Libya of Beaver aircraft or spares for Beavers previously purchased. These aircraft are used by the companies for liaison and for patrolling pipe lines.

Trade and Commerce were disturbed on two counts. They felt that such shipments would in no sense constitute the supply of arms — might even be directly beneficial in helping to maintain oil supplies — and should not be regarded as falling under the suspension. Moreover, the special controls applied by the U.S.A. following the Israeli attack were more selective than our own, applying fully only to arms shipments proper and to Egypt, Israel and Syria. Hence shipments of the type in question continued to move freely from the U.S.A., and Canadian suppliers were learning of this and shipping through U.S.A. intermediaries for export to whom no permit is required if they are represented as the final consignee.

We agreed to review the terms of our special controls, with a view to determining whether they could properly be made more selective so as to permit consideration of such marginal cases. We consulted London, Paris and Washington to obtain more detailed accounts than we had available of the policies being followed by those three governments.

Before replies [on December 13] were received Mr. Howe in your absence raised in Cabinet the particular cases mentioned in my first paragraph above, of which there were five on hand at the time. While we were not asked to support Mr. Howe's recommendation, we would have been prepared to do so; the cases on hand were all approved by Cabinet. Later we received two more similar applications, both very small; one was for $1,000 worth of Beaver spares and the other for the return of a Beaver engine valued at $3,000 which had been sent to Canada for overhaul. Regarding the earlier Cabinet decision as an adequate precedent, I approved those two applications.

I now recommend that Trade and Commerce be informed that we are prepared to consider applications of certain specified categories which we have hitherto regarded as subject to the general suspension. Explicitly, we could agree to consider applications for permits to ship items within Group 8 of the export control list but not constituting weapons, ammunition or implements of war to the Middle East in general, and applications for permits to ship any Group 8 items to Middle East countries other than Egypt, Israel or Syria.[58] I do not suggest that we would necessarily wish to approve such applications, but merely to consider them. This would permit us to deal with applications for civil aircraft or spares and for spares for civil or transport vehicles (but not spares for fighting vehicles) destined either for Middle Eastern governments or for reputable private concerns in the area, and for arms shipments to countries such as Lebanon and Iraq where it might be in our interest to allow the shipments to go forward.

This course would bring us very closely in line with the policies which the U.S.A. has followed since the Israeli attack and is continuing to follow. It would also correspond to the selective approach being used by France and the U.K., although special interests of those governments (e.g. the U.K. treaty with Jordan and its membership in the Baghdad Pact, and the severance of relations with France by all Arab countries other than Lebanon) introduce variations. The change in administrative procedure would be purely a domestic one within this Department, and in no way in conflict either with the Government's public statements or its decision to apply special controls to the shipment of arms to the Middle East.[59]

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[58] Le groupe 8 de la Liste de marchandises d'exportation contrôlée comprend tout le matériel militaire et un certain nombre de marchandises connexes comme les avions civils et les pièces pour ces derniers. La liste complète des marchandises faisant partie du groupe 8 se trouve à l'Annexe 2 de la *Loi sur les licences d'exportation et d'importation*.
Group 8 of the Export Control List includes all military equipment as well as a number of related items such as civilian aircraft and parts. For a complete list of the items in Group 8, see Schedule 2 of the Export and Imports Permits Act.

J. L[ÉGER]

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29. DEA/50000-A-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to United Nations

TELEGRAM E247 Ottawa, February 15, 1957

CONFIDENTIAL. IMMEDIATE.

EXPORT OF ALUMINUM INGOTS TO ISRAEL

Following for the Minister:[60] We have been approached by Trade and Commerce concerning two small orders for aluminum ingots to Israel on which at our request they are withholding the issuance of export permits. On an earlier case involving sale of 250 tons of aluminum ingots to the Egyptian Ministry of Defence, ostensibly for civilian use, we had advised withholding of permit on grounds that minor military end use was possible and that it was unlikely Egyptian authorities would make foreign exchange available for purely civilian purchases of this kind. Unlike Egyptian order, which is first of this kind to aluminum company, Israeli orders, for 32 and 15 tons respectively, are from two private companies which have done business before with Alcan.

2. In your absence the Under-Secretary agreed that it would be undesirable to appear to discriminate in favour of Israel and that since ingots were capable of military end use, even if minor, we should recommend against issuance of permit for either Israel or Egypt. Israeli Embassy have now approached Trade and Commerce requesting release of shipment and Mr. Howe has indicated strongly that since the potential buyers are established customers, this should be regarded as a legitimate commercial transaction. Mr. Howe has also expressed opinion that we should avoid any appearance of imposing unofficial economic sanctions against Israel and fears that question may be asked in House.

3. On strictly strategic grounds we doubt that we would be justified in withholding shipment to Israel but are somewhat worried about implications of any appearance of discrimination against Egypt. May we have your views?[61]

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[59] Note marginale :/Marginal Note:
OK L.B. P[earson]

[60] Note Marginale :/Marginal Note:
What companies [?] What are their records for civilian purposes only? & confirmation from Israel that this is for civilian use—is this for Ministry of Defence? J.L[éger]. How about order to Egypt from Norway? [J. Léger]

[61] On n'a pas retrouvé la réponse de Pearson ni aucun document subséquent en rapport avec la demande d'aluminium faite par Israël.
Neither Pearson's response nor any subsequent material relating to the Israeli request for aluminum was located.

30. DEA/50000-B-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], March 29, 1957[62]

EXPORT OF ARMS TO ISRAEL

We have on hand an application from Levy Auto Parts, Limited, for a permit to export to the Israeli Ministry of Defence $750,000.00 worth of spare parts "for the overhaul and maintenance of 100 Sherman tanks".

2. The round figure suggests that the supplying firm is really seeking a "hunting licence"; in other words, that if they are granted a permit they will then invite the Israeli authorities to make up from items available an order totalling approximately this amount. Nevertheless there is no direct evidence to this effect, and the application is accompanied by (incomplete) lists purporting to constitute the proposed shipment. If there were clear evidence that the company had not yet received a firm specific order, Trade and Commerce would reject the application on procedural grounds regardless of destination. Lacking such evidence, however, and in view of the direct statement that the items proposed for shipment would be for military use (hence rendering the absence of detail less relevant), they would prefer not to do so in this case. They assume that we will oppose the shipment on political grounds, and are awaiting word to this effect to serve as the basis for their rejection of the application.

3. I understand that you would not wish any such shipment to proceed either to Egypt or to Israel at present, and that this is based upon assessment of the general political situation relating to the Middle East rather than upon the possibility that the arms embargo imposed by the U.N. Resolution of November 2 might be considered to be still in force after Israeli withdrawal. I therefore assume that you would wish us to inform Trade and Commerce that you would not wish a permit to be issued for this or any similar major military shipment consigned to either Israel or Egypt at present, that this position is likely to continue until such time as there may be a significant relaxation of tension and a real improvement of the political climate in the Middle East, and that there is at present no means of knowing how soon such a change might be expected to take place. I should be grateful for confirmation that it is appropriate to write to Trade and Commerce along these lines.[63]

4. I should add that in bringing this case to your attention I had in mind that in due course it will be necessary to determine a more general policy governing shipments to the Middle East. In this connection Trade and Commerce have recently rejected a somewhat similar application from the same firm, for a permit to ship to Israel $1,000,000 worth of spare parts "for commercial type vehicles". This was not accompanied by any list of items, and was originally for shipment to the Israeli Ministry of Defence. When Trade and Commerce pointed out that a shipment of this size to a Defence Ministry could scarcely be regarded as intended for commercial use, the firm withdrew the application and re-submit-

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[62] Note marginale :/Marginal Note:
B[ring] F[orward] April 8 to Minister. A.S. McGill

[63] Note marginale :/Marginal Note:
Yes — but I would like to see the letter† to T & C before it is sent. L.B. P[earson]

ted it with the consignee now shown as the Israeli Department of Public Works. The whole affair was by this time so patently unsatisfactory that Trade and Commerce rejected the application purely on procedural grounds and without seeking a political judgment from us. While the matter is thus settled for the present without our being involved, we may expect to be consulted about similar para-military orders where the applications are technically in order and where a political decision will be necessary. Any preliminary views which you may have, prior to our receipt of individual applications, would be most helpful as guidance for us in our conversations with officials of Trade and Commerce.

J. L[ÉGER]

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31. DEA/50000-B-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], May 8, 1957

EXPORTS TO THE MIDDLE-EAST

Under this general heading there are a number of cases which I should bring to your attention.

A first item is a letter from Mr. Comay, sent to you just before his departure from Ottawa, listing certain Israeli applications for arms purchases which are at present outstanding. The list included,

(a) A recent application for 750.000 dollars worth of tank spares.

(b) The large order for .30 caliber browning machine guns which was suspended last year.

(c) An order of spare parts for 3.7 anti-aircraft guns.

(d) Spare parts for 25-pounder field guns.

(e) Three specimens of a carrier telephone terminal model F-1450.

To this list we might add two new applications just received, one for shipment to the Government of Israel of $54,380.50 worth of tank spares, and the other for ten heavy trucks with trailers. (Although in the latter case the applicant alleges that they are for civil construction use, the manufacturer says they were built to U.S. Army specification as tank transporters and have never been sold for civil use.) All of these items should presumably be considered as directly military.

During your absence from Ottawa we acknowledged receipt of Mr. Comay's letter and explained to the Chargé d'Affaires, Mr. Erell, that you had asked to have it examined by the competent authorities and would no doubt be replying in due course. Mr. Erell telephoned this week to ask what progress was being made. He stated that Mr. Comay prior to his departure had decided to speak to you about these matters but not to write unless he concluded from the discussion that you were now disposed to release the arms in question. His letter to you was allegedly based on the impression that you would receive it favourably.

It was my own understanding that prior to your departure from Ottawa you were not disposed in present circumstances to release any clearly military shipments to either Israel or Egypt. Since then you have had discussions with the heads of our Middle Eastern Missions.

Although the items mentioned above should be regarded as military, some are undoubtedly of greater political and strategic importance than others and it might be possible to make valid distinctions among them. I should be grateful for confirmation that you would not wish these shipments to go forward at present, or alternatively for an indication of your present views on this type of shipment.[64]

In addition to such military items, we have on hand a number of applications apparently not of real military significance. These applications are for permits to cover shipments, all to Israel, as follows:

(a) 8,000 automotive ball and roller bearings valued at $9,400.00 to be consigned to a private firm in Tel Aviv.

(b) $1,312.50 worth of spare parts for International Harvester trucks.

(c) $531.20 worth of G.M.C. trucks spares.

(d) 100 Dodge cable and chain assembles valued at a total of $600.00

(e) $85 worth of aircraft engine parts.

On item (a), the Joint Intelligence Bureau has informed us that the bearings are of general application, not limited to or primarily suitable for military use; National Defence see no objection to the proposed shipment. Our own divisions concerned would be disposed to favour release of this order.[65]

For (b), (c) and (d) above, National Defence similarly sees no objection.[66] These items do not appear to be of military importance, could probably be obtained readily from other countries and would not appear to raise problems relating to the U.N. arms embargo resolution of November 2, 1956. It might be considered that to refuse release of these items could contribute to the recent and in some respects undesirable reliance of the Israeli Government on supplies from France. The items, however, are consigned to the Ministry of Defence of Israel and are undoubtedly intended for the maintenance of military transport vehicles; the cable and chain assemblies may be intended for towing combat vehicles. There are no important commercial reasons to approve these shipments, and if they were to be approved they might be followed by larger orders which could cause some embarrassment. Other arguments, both pro and con, could well be adduced, but it is difficult to find a clear cut recommendation on such small orders. In the absence of a compelling argument against release, I wonder whether you would be prepared to let the shipments go forward or on the contrary would consider that a principle is involved.

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[64] Note marginale :/Marginal Note:
not at present — will review after June 10th [L.B. Pearson]

Le Ministère a découvert par la suite que les « heavy trucks with trailers » ont effectivement servi à transporter du matériel de construction. Comme rien ne prouvait qu'il serait fait un usage militaire de ces camions en Israël, Pearson a consenti à délivrer une licence d'exportation. Jules Léger, Mémoire au Ministre, 13 mai 1957, MAE 50000-A-40.

The Department subsequently discovered that the "heavy trucks with trailers" were indeed used to haul construction equipment. In the absence of any evidence that they were to be used for military purposes in Israel, Pearson agreed to issue an export permit. Jules Léger, Memorandum for the Minister, May 13, 1957, DEA 50000-A-40.

[65] Note marginale :/Marginal Note:
Yes [L.B. Pearson]

[66] Note marginale :/Marginal Note:
Yes [L.B. Pearson]

Finally, on item (e) above, such small quantities of aircraft parts not identifiable as intended for military use would appear to create no particular problem. I recommend that item (e) be approved for release.[67]

Trade and Commerce have written to us about the particular problem relating to the export of de Havilland civil aircraft and spare parts for them. Such aircraft are not now included in the arms section of the control list, but Trade and Commerce have continued up to the present to consult us about applications for shipment of them to the Middle East. It has been observed that the oil companies represent perhaps the most important foreign market served by this company through the supply of Beaver and Otter aircraft. These oil companies, in most cases with head offices in the United States, and with excellent credit ratings, can be most reliable customers. Satisfactory performance and maintenance of equipment in any one market is the best assurance of continuing sales to other branches, sometimes involving several different countries, of the same international concern. De Havilland find themselves handicapped through inability to give a quick decision on enquiries and to assure prompt maintenance service as required.

While recognizing the political problems relating to the export of aircraft to the Middle East, even those designed for civil use, Trade and Commerce have asked whether some formula cannot be found to facilitate prompt decisions on enquiries which this important Canadian industry is able to develop. They have suggested that the following criteria might be considered:

(a) orders for more than three or four aircraft should be regarded as unusual and be the subject of special consultation.

(b) The consignee should be a known private commercial organization controlled in the United States or the United Kingdom.

(c) Orders requiring unusual equipment, or alterations of the standard models, which might involve military or political considerations should be regarded as special cases subject to consultation.

(d) The use intended by the consignee should be the normal purposes for which these aircraft are designed, e.g., aerial survey work or patrolling of pipe lines.

Trade and Commerce has suggested that exports of civil aircraft covered by (b) and (d) above, and not involving special considerations such as (a) and (c), should not be expected to raise any political or military complication. They have accordingly proposed that in such cases they may issue permits without consulting us to cover shipment of aircraft or spare parts for them consigned to the Middle East as they now do for other less sensitive parts of the world. They would inform us of the issue of such permits and of the expiry dates involved, and have pointed out that such permits like all others would be subject to immediate suspension or cancellation in case of emergency. They would of course continue to consult us on any cases raising special considerations such as those mentioned in (a) and (c) above.

Upon reflection I have come to the conclusion that the proposal put forward by Trade and Commerce is not unreasonable and might well be accepted.[68] It is true that there would be some marginal risk of shipments being approved which could lead to trouble that might have been avoided had this department been consulted in advance. On the other hand, I believe this risk is more academic than real and against it must be set the delay which prior consultation with this Department involves, the consequent handicap in commercial competition imposed upon a responsible and important Canadian firm and the increased opportunity for minor irritation to arise between this Department and Trade and Commerce in the administration of export controls. In the light of these considerations, I recommend that we write to Trade and Commerce accepting their proposals in suitably discreet terms.

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[67] Note marginale :/Marginal Note:
Yes [L.B. Pearson]

[68] Note marginale :/Marginal Note:
I agree [L.B. Pearson]

Within the general context of this question of de Havilland Aircraft exports, a particular case has been brought to our attention. Trade and Commerce have learned that de Havilland expect in the next few weeks to apply for a permit to export one of these aircraft for use, by the Atlantic Refineries Corporation of Dallas Texas, on oil survey work which this firm hopes to undertake in Syria. To avoid paying United States import duty the firm will wish to ship the aircraft direct to Syria. De Havilland have explained to Trade and Commerce that they have reason to suppose that their ability to obtain a quick answer on whether or not a permit will be issued is likely to determine whether they can obtain the order. Trade and Commerce have therefore asked if they may be authorized now to advise de Havilland that the permit will be issued when applied for provided that there is no further serious deterioration in the political situation in the area in question during the interval. I recommend that this proposed action be approved.[69]

J. L[ÉGER]

SECTION C

EXPORTATION D'AVIONS D'INTERCEPTION F-86 À ISRAËL
EXPORT OF F-86 INTERCEPTORS TO ISRAEL

32. DEA/50000-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM E-601 Ottawa, April 3, 1956

SECRET. IMMEDIATE.

Repeat London No. E-501; Paris No.E-327; Canac Paris (Information).

EXPORT OF ARMS TO THE MIDDLE EAST

Mr. Comay, the Israeli Ambassador, called on me this morning on instructions from his government to make a formal request for permission to export from Canada one squadron of 24 F-86 aircraft. He referred to earlier enquiries which had been made a year or so ago regarding the possible export of such aircraft and indicated that in the view of his government it was most desirable that a complete squadron should be secured. Any smaller number would complicate the operations and maintenance problems. He added that an attempt would be made to get the number of Mystères from France raised in order that they would have a full squadron of that type of aircraft as well.

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[69] Note marginale :/Marginal Note:
OK [L.B. Pearson]

2. Mr. Comay appreciated certain difficulties which this request might present but his government hoped that the Canadian authorities would consider it most seriously and urgently and favourably.

3. Mr. Comay felt that there had recently been some disillusionment in both Washington and London concerning the situation in the Middle East. He reported that Mr. Dulles had told Mr. Eban that the U.S. Government was now prepared to recognize the existing imbalance in arms as increasing the threat of war. Mr. Dulles had intimated that it was in the interests of the West to supply some arms to Israel although it would be difficult for the United States to do so itself, except for small quantities of defensive weapons, at the present stage.

4. According to Mr. Comay, Mr. Sharett was of the view that the recent turn of events had made the position of the Canadian government crucial in the Middle Eastern situation. Canada had the type of aircraft which was most needed and Canada might have less difficulty than the United States in allowing them to be made available immediately. These aircraft were absolutely essential as a deterrent to aggression and to give the Israeli people some confidence in their ability to defend themselves. Their fears and their sense of isolation and weakness were a great danger.

5. Mr. Comay put forward the following reasons in support of his request:

(a) The Egyptians had, or would soon have, a bombing fleet within six or ten minutes of the main centres in Israel with 50 to 60 Ilyushin bombers and 200 MIG fighters. The Egyptians could operate with relative freedom from airfields in the Canal Zone, in the Sinai Region and in the Gaza Strip.

(b) The threat now was not merely or even primarily to the Israeli army but to the civilian population. No anti-aircraft defences existed which would be capable of protecting Tel Aviv, Jerusalem or the other main centres of population. The least that could be expected, therefore, in the event of operations by the Egyptians would be the death of thousands of civilians. The national survival of Israel was also involved. While the country might not be completely destroyed it would be crippled and the possibility of any reconciliation with the Arab States would be put off for generations.

(c) With two or three squadrons of jet interceptors the Israeli authorities would hope that they might be able to deter such an attack. While, in relation to the force which could be launched by the other side, this number would represent far less than was required for defence, the Israeli government would be prepared to take its chances if it had this quantity of effective aircraft.

(d) The nature of the request (confined as it is to short range interceptors) would rule out the possibility of use for offensive purposes. In fact, and in contrast to Egypt, the Israelis had no modern bombers that could be effective against MIG's.

6. Mr. Comay did not know whether in the event of such action by Canada the United States would also act. He mentioned that in a recent interview Mr. Allen had spoken of the possibility of anti-tank weapons being released, although he had not made a definite offer. In view of the usefulness of these weapons in warding off an attack by land, the Israeli authorities would undoubtedly welcome these weapons (with a priority somewhat lower than that attached to jet fighters) if the United States were to decide to make them available.

7. Would you please inform the State Department (and London the Foreign Office and Paris the Quai D'Orsay) fully on this approach and report immediately any views which

you may receive. I would hope that this matter can be considered by Cabinet at its next meeting which will probably be within a week or ten days.

[L.B.] PEARSON

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33. DEA/50000-B-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

TOP SECRET [Ottawa], April 4, 1956

POSSIBLE EXPORT OF F-86 AIRCRAFT TO ISRAEL

I understand that you plan to raise orally in Cabinet tomorrow the Israeli Ambassador's request that the Government agree to release one squadron (24 aircraft) of F-86s. In accordance with your conversation with Mr. Ritchie we are not preparing a memorandum for the Cabinet on this subject, but have set out below points which may be useful to you in your oral presentation.

2. I attach copies of telegrams No. 615[70] and No. 628† from Washington, reporting respectively your discussion of this question with Mr. Dulles and on Mr. Heeney's subsequent interview with Mr. Eban. I also attach a copy of the outgoing telegram in which we informed a number of our missions of Mr. Comay's approach to you. Sufficient copies of these three telegrams are being prepared to permit distribution at the Cabinet meeting should you wish it, and copies have already been referred to the Prime Minister, Mr. Howe, Mr. Harris and Mr. Campney. I also attach a table setting out National Defence's best available estimate of present holdings by Middle East countries of similar aircraft.

3. You may wish to have in mind your reference in the House to a request for similar aircraft received about a year ago from Egypt, although I do not believe that incident or your remarks on it have an important bearing on the decision now to be taken. The Hansard report of your statement is as follows:

"In the spring of 1955 a supplier of these (Harvard) aircraft received enquiries from qualified representatives of the Egyptian government concerning 15 Harvard trainers. There were also received at the same time somewhat less formal enquiries about F-86 jet fighters. There was no problem regarding the jets. The reception by the government to the idea was negative and the matter was dropped even though that order, and others for jets about which we have been approached from other quarters, would have been very attractive commercially and would have assisted in maintaining work and employment in our aircraft industry.[71]

4. You will no doubt wish to bear in mind the fact that if these aircraft are released it would undoubtedly become public knowledge very soon. For this reason, and also because of the general position which the government has taken on such matters, the government would no doubt plan to announce an affirmative decision (if one should be taken) in the House. In this connection you will recall that the Security Council has under consideration

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[70] Voir Volume 23, Chapitre premier, 1ère partie.
See Volume 23, Chapter 1, Part 1.

[71] Voir Canada, Chambre des Communes, *Débats*, 1956, volume I, p. 488.
See Canada, House of Commons, *Debates*, 1956, Volume I, p. 465.

a proposal that the Secretary General should visit the Middle East in a mediating role, and the government will no doubt wish to take account of this matter in considering the timing of a possible announcement.

5. Finally, a decision to release these aircraft would have important consequences concerning the government's general policies. If they should be released specifically to assist Israel in meeting the threat posed by Egyptian acquisition of Russian-built jet bombers, this would involve taking sides in the Arab-Israeli conflict to a degree that no western power has yet done, and would have critical foreign policy implications in many fields and for a number of countries other than Canada. If, on the other hand, they should be released without that specific purpose being designated it would have a bearing on other possible requests. For example, it might lead the Egyptians to renew their earlier application. (It would also, incidentally, make it very difficult to refuse the same type of aircraft to the Indian government, which has recently made an informal enquiry concerning F-86s and CF-100s.)

J.W. H[OLMES]
for Under-Secretary of State
for External Affairs

P.S. I also attach a copy of Telegram No. 241† from Paris giving the preliminary re-actions of the French Foreign Office; no reply has yet been received from London or Washington.

[PIÈCE JOINTE/ENCLOSURE]

HOLDINGS OF MILITARY AIRCRAFT BY MIDDLE EAST COUNTRIES

	Fighters (Jet)	Fighters (Conventional)	Bombers (Jet)	Bombers (Conventional)	Transport	Other (Jet)	Other (Conventional)
Egypt	80 (MIGs) 100 (others)	25	30	6	35	10	125
Syria	50 (no MIGs) confirmed)	70	0	0	10	2	35
Saudi Arabia	0	0	0	10	5	0	22
Totals	230	95	30	16	50	12	182
Israel	70	85	40	15	5	240	
Lebanon	5	0	0	5	0	0	15
Jordan	5	0	0	0	5	2	15
Iraq	25	40	0	0	12	0	80

These figures relate to holdings which have been confirmed, and actual holdings might be higher in certain cases.

Israel is believed to have a commitment from France to provide up to one squadron of Mystère IV modern jet fighters, and is negotiating with a Scandinavian government for the provision of 34 Vampires.

34.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], April 5, 1956

Present:

The Minister of Trade and Commerce, Minister of Defence Production and Acting Prime Minister (Mr. Howe) in the Chair,
The Minister of National Revenue (Dr. McCann),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Finance (Mr. Harris),
The Minister of National Defence (Mr. Campney),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).

The Secretary to the Cabinet (Mr. Bryce),
The Registrar of the Cabinet (Mr. Halliday),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

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EXPORT OF ARMS TO ISRAEL

10. *The Secretary of State for External Affairs* said the Israeli Ambassador had called on him and had made a formal request for permission to purchase and export from Canada one squadron of 24 F-86 aircraft. An attempt was being made to get the number of Mystères from France raised to a full squadron. A third squadron of jet interceptors might possibly be obtained from the United Kingdom.

The situation in the Middle East was becoming crucial for Israel. The Egyptians would soon have a bombing fleet of 50 to 60 Ilyushin bombers and 200 MIG fighters within six or ten minutes of the main population centres of Israel. It was estimated, however, that Egypt would not be in a position to use those aircraft effectively within the next three months. Israel might still be able to win a war against the Arab States because of a superior army but could not resist a strong attack from the air without interceptor aircraft.

There were factions in Israel in favour of starting a preventive war immediately while it might still be won rapidly. The feeling that the country had been abandoned by its friends, especially the United States, contributed to such attitudes.

The Arabs had turned down the Johnson scheme for the Jordan Canal and now Israel wanted to build her own canal. If this were done, a violent reaction from Syria was likely and Israeli workmen might be fired on. This in turn could be used by Israel to justify going to war.

The U.S. government was not ready yet to supply arms to Israel in any quantity. Its position in the Middle East was difficult. It was still attempting to influence the Arab States. However, the U.S. was now prepared to recognize the existing imbalance in arms as increasing the threat of war, and Mr. Dulles had said that they would make no objection if other western countries were to supply some arms to Israel.

It would be very undesirable to give a negative answer to the Israel request at this stage, but it would also seem inappropriate to agree to sell the aircraft just when the Secretary

General of the United Nations had been sent on a peace mission. Mr. Hammarskjöld would report back to the U.N. during the coming month. There was no question of taking a decision on the Israeli request immediately, but a definite stand would have to be taken during the next six weeks.

11. *During the discussion* the following points emerged:

(a) It would seem almost suicide for Israel to declare war at the moment. On the other hand, the Israeli government felt that, in spite of having no strength in the air, it still had a chance because Egypt could not yet use effectively the aircraft obtained from Russia.

(b) If Israel decided to start a war, it could probably win during the first two weeks. Under those conditions, there was very little that the U.N. could do once an open conflict had been started.

(c) The F-86 aircraft could not be used for offensive purposes but would be essential as a deterrent to aggression and to give confidence to the Israeli people.

(d) It might be possible to supply these aircraft without any delay, if Sabre V's were taken, or if National Defence were to accept some delay in its deliveries of the Sabre VI's now in production.

12. *The Cabinet* noted the report of the Secretary of State for External Affairs on the request for permission to export to Israel one squadron of 24 F-86 aircraft and agreed that no decision be taken on it at present.

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35. DEA/50000-B-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 665 Washington, April 7, 1956

SECRET. IMMEDIATE.

Repeat London No. 58; NATO Paris No. 5; Paris No. 39.
Reference: Your telegram No. E-601 of April 3/56.

EXPORT OF ARMS TO MIDDLE EAST; F-86'S FOR ISRAEL

Merchant, whom I saw yesterday April 6, gave me Dulles's response to the approach which we had made on the basis of your telegram under reference outlining the Israeli request for one squadron of twenty-four F-86 aircraft. Although Merchant does not have specific responsibilities in this area I decided to speak to him since he had been present at your discussion of this matter when we dined with Dulles here on March 28 (our 615 March 29/56).

2. We had earlier on April 4, discussed your message under reference with Margrave of the State Dept's Office of Munitions Control. Margrave's initial reaction had been negative. He thought that interested US officials would "counsel against" a supply from Canada or the US of any such substantial numbers of such high quality aircraft. The views which he gave us in support of this attitude do not now seem important since Merchant gave us the Secretary's decision.

3. Merchant said that the decision as to whether or not the Israeli request for the squadron off F-86's should be met was recognized by the Secretary to be a decision "exclusively for the Canadian government." The US government would not "interpose objections" if the Canadian government decided to meet the Israeli request. If the Canadian government did so decide and their decision became a public issue leading to questions being asked of the US government, US authorities would indicate that the Canadian and US goverments were in constant touch on matters of this kind; they would say that this particular transaction had been discussed and that the US government had clearly indicated that they had no desire to interpose objections to the sale.

4. Merchant, under questioning, said that US policy on the matter of supply or arms to Israel remained unaltered. US action to supply defensive armament to Israel could not be excluded as a possibility. On the other hand they had not yet reached any decision to do so.

5. I referred to our talk with Dulles at dinner on March 28 and said that we had been left with the distinct impression that the Secretary himself hoped that it would be possible for other countries to provide some assistance to Israel to minimize the increasing and dangerous imbalance between their armament and that of the Arab States. This had specific reference to the Israeli request to us for jet fighters which you had mentioned. Merchant confirmed that this was a correct interpretation of Dulles' private and personal view but it was not one which Dulles would wish to have made public. Merchant then ran over some of the arguments which Dulles had used to you on the same occasion — the US was not traditionally a heavy supplier of arms to Israel; remaining US influence with the Arabs would be affected by any substantial US supply of arms to the Israelis; and, finally, a grave moral responsibility attached to the prevention by any country of another country's efforts to provide for its essential defence.

6. Bearing in mind my telephone conversation with you on April 5, I told Merchant that in view of the US response he had now conveyed, personally, I thought it not unlikely that the Canadian government would feel unable to meet the Israeli request for such a significant addition to their air strength at this time. Our attitude might be otherwise perhaps if and when the US government were to decide to make more than a symbolic release of arms to the Israelis.

7. Merchant said that the US government would, of course, be interested in knowing what decision is reached in Ottawa.

8. You will have seen the comments on the supply of arms to Israel by other countries which were made by Dulles at a press conference on April 3, the text of which appeared in the *New York Times* for April 4. His remarks led to a good deal of public comment to the end that Dulles had given a "green light" to the supply by other countries of arms to Israel; in practice Dulles's green light seems to have paled to a pretty watery aquamarine.

[A.D.P.] HEENEY

36. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], April 19, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of National Health and Welfare (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald)
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).

The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

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EXPORT OF ARMS TO ISRAEL, PROGRESS REPORT
(PREVIOUS REFERENCE APRIL 12)[72]

34. *The Secretary of State for External Affairs* said he had had further talks with the Israeli ambassador on the export of a squadron of 24 F-86s and had obtained additional information from Washington about the attitude of the U.S. government on the release of arms to Israel. It was expected that the United States would soon start to send more arms to that country.

This general subject would be discussed in London during the visit of the Soviet leaders. In moves designed to prepare for that visit, it had been announced recently that the Cominform had been dissolved and that the Soviet government would be willing to participate in a settlement of Middle East disputes. Control over the shipment of arms to the area would of course be an essential element of any effective plan. The British government had been requested to mention in its discussions with the Soviet leaders the fact that Canada was considering at present whether or not to send a squadron of F-86s to Israel. This could be used during the talks as an argument to strengthen the bargaining power of the west or as a test to know the real intentions of the Soviet government. It would, for example, be better to have the Soviet government agree to reduce substantially the number of bombers going to Egypt rather than sell these planes to Israel.

The Secretary General of the United Nations was reporting real progress in his mission to the Middle East. His immediate objective was not to bring a political solution to the difficulties but to strengthen the armistice. Mr. Hammarskjöld would have a document ready for signature by the Middle East countries in two or three days and if he attained his immediate objective, it would be an important achievement on his part.

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[72] En réalité, cette question n'a pas été discutée le 12 avril mais le 5 avril.
This question was not in fact discussed on April 12 but on April 5.

This was a résumé of the situation at the moment and the matter would be brought up again to report any major development.

35. *The Cabinet* noted the progress report of the Secretary of State for External Affairs on the export of arms to Israel.

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37. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], April 26, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Health and Welfare (Mr. Martin),
The Minister of National Revenue (Mr. McCann),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters), (for morning meeting only)
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham), (for morning meeting only)
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate
  and Solicitor General (Senator Macdonald), (for morning meeting only)
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

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EXPORT OF ARMS TO ISRAEL
(PREVIOUS REFERENCE APRIL 19)

32. *The Secretary of State for External Affairs* said there was little that was new which he could report on this subject. He had told the Israeli Ambassador in a recent conversation that no decision, either positive or negative, could be expected this week on the request for a squadron of F86's. He hoped to find out what were the British, United States and French attitudes on exports of arms when he was in Europe attending the N.A.T.O. Ministerial Council Meeting. The U.K. and France were sending some aircraft to Israel and he thought the U.S. would do likewise in the near future. The situation in the Middle East had eased considerably following the mission of the United Nations Secretary-General. However, there was a tendency to read too much into the results of Mr. Hammarskjöld's trip. All he had really done was to restore a cease fire for which there was already an agreement. The most immediate danger lay in Israel's intention to proceed with the Jordan canal.

33. *The Cabinet* noted the report of the Secretary of State for External Affairs on the situation in the Middle East and the export of arms to Israel.

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38. DEA/50000-B-40

Note du secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Secretary of State for External Affairs to Prime Minister

SECRET [Ottawa], May 10, 1956

Mr. Dulles discussed with me in Paris the question of arms shipments to the Middle East. He knew that we were faced with a request for 24 F-86 jet interceptors from Israel and he wished, very frankly and confidentially, to explain to me the policy of his government in respect of such requests, as it might help us in the decision we would have to make.

The United States had decided to release shortly some miscellaneous military supplies for Israel, but not — at least at this time — aircraft. They realized that while Israel could probably defend herself at the present time against attack from her Arab neighbours, the balance of military strength was moving against her because of arms, especially jet aircraft, coming from the Soviet bloc to Egypt. This growing imbalance, especially in the air, was a danger to peace, first, because it might strengthen the position of the extremists in Israel who felt that the only hope for survival was a preventive war waged while Israel was strong enough to defeat her neighbours; and, secondly, it would later encourage extremists on the Arab side who were determined to wipe Israel out. Mr. Dulles thought that it was, therefore, important from the point of view of maintaining peace, and also for psychological reasons, to permit some military supplies to reach Israel, especially jet interceptors. The reason the American government was not releasing such aircraft was primarily their anxiety not to be identified conclusively with the Israeli side and to participate in an arms race, which would not be so much one between Israel and Egypt as between the Soviet Union and the United States. These considerations did not apply, at least to the same extent, to other countries, and Mr. Dulles hoped, therefore, that their inconsistency in refusing to supply Israel with the equipment which they hoped other countries would be able to supply would be understood.

He then gave me some very confidential information about American policy, which was known to only a very few people in Washington, and to no one else except, I think, the British Foreign Minister. He was giving me this information because he felt it had a bearing on the Israeli request for Canadian jet interceptors. While the United States would not at this time ship F-86's to Israel, they did intend to have 2 or 3 squadrons of them available at air bases close to Israel under United States control, so that they could reach Israel within an hour or two if that country became the victim of aggression. However, it would not help Israel very much to have 50 or 60 F-86's land at Tel Aviv if there were not Israeli pilots trained to fly them. That is why F-86's from Canada at this time would be particularly important to Israel; she could train pilots in their use who would be, therefore, ready to man the additional machines, if and when they were sent.

I told Mr. Dulles that requests of this kind from Israel represented a very serious problem for Canada which was not any more anxious than the United States to become identified with one side or the other in this quarrel, but which was anxious to assist in preserving the peace. We realized that for this purpose some additional armed strength for Israel might be advisable, but we were even more conscious of the necessity of a political settlement which would stop the arms race and give both Israel and her neighbours some guarantee of security. For that purpose, the three major powers should act quickly and effectively, through the United Nations, and bringing the Soviet Union into consultation with them from the beginning. This was an idea which I subsequently repeated at the NATO Council. I told Mr. Dulles that the talks that the British had had with Bulganin and Khrushchev in London gave them at least some reason to believe that the Russians were becoming more worried about the possibility of serious trouble in the Middle East, and that they *might* now co-operate with the other three powers to avoid it. Sir Anthony Eden told me that he received the firm impression from his talks with the Russian leaders that they did not realize the extent to which they were playing with fire in their present Middle Eastern policy, and he thinks he may have sent them back to Moscow in a more chastened and even in a co-operative mood on this issue.

Mr. Dulles agreed that the major objective now should be to press on for a political settlement through the United Nations, though the bitterness of feeling between the two sides in the Middle East made such a settlement extremely difficult to bring about. Meanwhile, he emphasized that if we found it possible to send at least half the order of 24 F-86's to Israel at this time, it would be an important and constructive move, and in view of the MIGs and jet bombers going to the other side, he did not think that the Arab states could seriously complain.

I think United States' views, as expressed by Mr. Dulles, have a bearing on the decision which we will have to make very shortly in regard to the Israeli request.

L.B. PEARSON

39. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], May 10, 1956

Present

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Health and Welfare (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office, (Mr. Lamontagne).

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EXPORT OF ARMS TO ISRAEL; MEDITERRANEAN SITUATION; PROGRESS REPORT

(PREVIOUS REFERENCE APRIL 26)

33. *The Secretary of State for External Affairs* said a decision might have to be made soon on the request from Israel for a squadron of 24 F-86 aircraft. The situation in the Middle East had calmed down as a result of the successful mission of Mr. Hammarskjöld. However, the Arab countries were receiving additional aircraft from communist countries and would possibly be ready to attack Israel in October.

The Middle East situation had been discussed in London during the recent visit of Marshal Bulganin and Mr. Khrushchev. Mr. Eden had made it clear that Britain had vital interests in the area and would not hesitate to fight to protect them. The Russian leaders had indicated that they were sending arms to the Arab countries merely as a counter-tactic to the Baghdad Pact and that they were unaware of the immediate danger of war in the area. It seemed that they might be ready to agree to send arms on restricted conditions only provided other countries would do the same. Britain had decided to sell arms, including anti-aircraft equipment, to Israel but on a very limited scale.

The Minister had discussed the Middle East situation with Mr. Dulles. The U.S. Secretary of State had fully realized that the shipment of F-86 aircraft to Israel would raise a difficult problem for Canada, but his view was that the time had come to give more aid in the air to Israel. The U.S. government was not ready yet to send arms because it wanted to maintain its position as a possible mediator between the two parties; moreover it did not intend to participate in an arms race with Russia. However, other countries, like Canada, were in a position to help Israel without challenging the U.S.S.R. The U.S. government found it difficult to maintain an impartial attitude because the Jews were using all their influence within the U.S. in favour of Israel. Meanwhile, the U.S. government was making plans to ensure that Israel would be adequately defended at a few minutes notice if attacked by the Arab countries.

France had already sold 12 Mystères to Israel. Both the United States and the United Kingdom were urging Canada to send 12 F-86s but this could not be revealed.

The situation in Algeria was also dangerous. Both Tunis and Morocco were now free but Algeria raised a more complicated problem because it had never been independent and the French settlers formed an important portion of the population. The French government had stated that no solution could be worked out if order were not restored first but the rebels were still receiving help from the Arab countries.

The situation in Cyprus was very bad. The British were emotional about this question and it was almost impossible to argue with them. Their attitude was that they would not discuss possible solutions before order had been re-established. The Chiefs of Staff had said that the protection of the oil fields would be endangered if the British agreed to leave Cyprus. The Greek government had offered to permit the establishment of a N.A.T.O. base under British control on its own territory and in Crete; also on Cyprus if it came under Greek control, but that proposal had been refused. The execution of the Cypriot patriot Karselis at the time when capital punishment was abolished in the United Kingdom had been an unwise move. The Suez precedent should serve as a lesson because it had shown that it was unwise to keep complete control at all cost and until the last moment and then be obliged to give up completely. However, the situation in Cyprus had become a question of prestige for Great Britain and no compromise seemed possible at the moment. Mediation by the N.A.T.O. Council might lead to a satisfactory solution but Great Britain would not be likely to accept such mediation until after another two months and then it might be too late.

34. *During the course of discussion* the following points emerged:

(a) As a result of Mr. Hammarskjöld's visit to the Middle East, the armistice had been reinvigorated, but this achievement would not prove to be very significant if it was not followed by a political settlement. That problem would be discussed by the United Nations and could be solved if the U.S.S.R. were willing to cooperate in implementing a collective plan. That cooperation could be best secured if the U.S. representatives were prepared to talk to the Russians before the question was considered by the United Nations.

(b) There was strong sympathy in Canada in favour of Israel. The Canadian people would certainly support government action through the United Nations in order to find a solution which would be satisfactory to the Israelis. However, there would be objections in Canada to the shipment of aircraft to Israel during a period when the United Nations were considering a peaceful settlement. The fact that the United States and the United Kingdom were privately advising Canada to accept the request of the Israeli government would not solve the domestic political difficulties.

(c) The refugee question was only part of the overall problem and could not be solved separately. It had originated when the Arab countries had refused the partition plan, and since then they had never seriously attempted to solve the refugee question, as it could be used for propaganda purposes.

(d) The coming months would be crucial. The most probable objective of the Arab countries was to eliminate Israel, which was viewed as the western outpost in the Middle East. The most immediate danger was the isolation of Israel. At present, the Arab countries were getting all the supplies they could use and Israel received practically nothing. If the objective of the western countries was to preserve peace in the area, the only alternative to a general embargo on the export of arms, which seemed quite impossible to achieve, was to help Israel. The U.S. and the U.K. were in a difficult position to make a contribution at the moment. Canada was producing the F-86 aircraft and, if it were decided to refuse Israel's request, the danger of war would be increased. On the other hand, if the shipment of such aircraft were permitted, such action by the Canadian government would be interpreted as a direct contribution to a possible explosion.

(e) Mr. Pearson expected a confidential report from Mr. Hammarskjöld on the question and would probably make a definite recommendation on the basis of that report. However, even if the report were favourable to the shipment of aircraft to Israel, one could not use it to justify the action taken by the Canadian government, so that it would not solve the political difficulty created by this question.

35. *The Cabinet* noted the progress report of the Secretary of State for External Affairs on the export of arms to Israel and on the Mediterranean situation.

R.B. BRYCE
Secretary to the Cabinet

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40. DEA/50000-B-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

TOP SECRET [Ottawa], May 11, 1956

ISRAELI REQUEST FOR F-86'S

In a separate memorandum I am setting out some of the political considerations bearing on this question. In this present paper I propose to outline some of the practical and technical factors involved.

Arms Holdings in the Area, Current and Prospective

I attach a copy† of the latest confirmed estimate of aircraft holdings of Middle Eastern countries. It should be noted that these figures refer to actual holdings only, and it may be assumed that additional aircraft have in certain cases been contracted for but not yet received. This applies in particular to the MIG 15's and IL 28's available to the Arab bloc. In addition, as you are aware, Israel hopes to obtain from France 12 more Mystères, and is negotiating with Italy for the possible provision of some F-86's. Norway is also being pressed to release 40 Vampires, but these obsolescent aircraft would have little bearing on the main question.

The real problem relates to Egypt's possession of a substantial number of IL 28 jet bombers and an adequate supply of MIG 15 jet fighters to escort them. Against this formidable attacking capability Israel's holding of 12 Mystères represents at present the only real defence. Israeli authorities estimate that with three squadrons of suitable aircraft (72 machines) they could muster a reasonable defence; this would appear a modest estimate. They hope to obtain 12 more Mystères from France, 24 F-86's from Canada and 24 F-86's (mentioned above) from Italy. While estimates vary, it is unlikely that Egyptian forces will be adequately trained and equipped to attack with IL 28's and MIG 15's before mid-summer at the very earliest.

Canadian Policy on Export of Modern Jet Aircraft

In general the Government has been cautious about approving the export of modern jets. As far as Canada is concerned the only such aircraft available for export are F-86's and CF-100's. As you are aware, the CF-100 is equipped with the MG2 fire control system which is of U.S. origin and which U.S. authorities have been unwilling to release even to Belgium, although there is a possibility of agreement upon a modified fire control system.

Apart from NATO, however, we have therefore been limited to the possibility of exporting F-86's. These are freely available to NATO countries, and Canada has provided them as Mutual Aid to Greece and Turkey. Consideration is being given to the timing of releasing 75 F-86's to Germany. Outside of NATO, F-86's have been sold by Canada to South Africa, and recently after careful consideration the Government approved the sale of six of these aircraft to Colombia. The only other possible export to which even partial consideration has been given involved a tentative enquiry from India, but before a decision became necessary the Indians lost interest because of the price. Enquiries from Egypt and Saudi Arabia, and an earlier approach by Israel, were not seriously considered.

It is not expected that there would be security objections to the release of F-86's to Israel, but (aside from the special considerations relating to the Arab-Israeli conflict and the tension in the Middle East) to make such aircraft available in a sensitive area would involve a precedent which the Government would no doubt wish to consider very carefully. The aircraft are manufactured in Canada under U.S. licence, and therefore the State Department's approval is required.

It will be publicly expected that release, if it takes place, should be preceded by consultation with at least the U.S. and the U.K. In fact we have consulted these two Governments and France as well. None of the three objects, and indeed the U.S. and France have both encouraged us to release although they might not be willing to make this position public. The U.K. has expressed the hope that we could avoid public reference to their position. If announcement of a release is made, it might include an indication that, taking account of the current situation, the Government considers the release in accord with the Tripartite Declaration of 1950. Because of their special responsibilities in the area, arising in part from that Declaration, those three powers were consulted prior to the decision. (It would then be possible to add, if necessary, that no objection was raised.)

Timing and Availability

Should the Government decide to release some F-86's to Israel there would be a number of subsidiary questions to which we believe consideration should be given at the time of the principal decision. It is assumed that such a decision would be announced almost at once in the House. Inevitably the Government would be pressed to state how many aircraft were involved and when delivery would be made. This information would necessarily be known fairly widely in several Government departments (e.g. National Defence, Trade and Commerce, Defence Production as well as External Affairs) and would probably leak fairly soon. We therefore believe that an effort to withhold the answers to these questions would be unsuccessful.

I understand that you have in mind the possibility that ten aircraft might be released. We have not wished to discuss such matters in any detail with other Departments, in order not to give rise to speculation, but it is our impression that this number would permit the Israelis to operate the aircraft satisfactorily. On technical grounds however, they would probably prefer 12; this would be apart from their obvious desire to obtain as many of these aircraft as possible. Ten might be a difficult number to explain publicly.

As far as we are aware there are three possible methods of making this number of aircraft available. One would be to approve a straight commercial sale by Canadair under which the Israelis would await their turn for aircraft coming off the production line; this would undoubtedly mean that completion of delivery would require several months. Should this be considered too slow, it would be possible to divert current production ordered for the RCAF, to meet an Israeli order; we have some reason to suppose that RCAF requirements are not urgent (the proposed provision of 75 aircraft to Germany should not alter the picture). Finally, it might be possible to release this relatively small number of aircraft from current RCAF holdings, for subsequent replacement from new production. This last possibility might be attractive to the RCAF, since it would permit the replacement of an earlier model of the aircraft by the latest version. We would expect that either of the latter two courses (diversion of current production, or release from existing RCAF holdings) would permit quite rapid delivery.

If it is decided to release some aircraft the choice among these three possible methods would have to take into account the speed of delivery desired and the preferences of the RCAF. We are not in a position, until we obtain full advice from the technical experts, to comment in detail on the question of delivery rate, but presumably account would have to be taken of the expected effect both on Israel's attitude and on that of her Arab opponents.

On the one hand prompt delivery might tempt the Israelis to provoke a "preventive war" or lead the Arabs to attack; on the other hand it might bolster Israeli confidence and consequently patience, and might induce greater caution in Arab capitals. To permit a time lag between announcement of a decision and actual delivery would have possible consequences equally difficult to predict; before a decision is taken even in principle we believe that this question of timing should be most carefully examined. The possibility of a U.N. embargo on arms exports to the area would also have to be considered, as well as the domestic political reactions in Canada. As to the preferences of the RCAF we have no firm information available, but this point could no doubt be quickly settled once a decision has been taken on the possible export of 75 aircraft to Germany.

R.M. M[ACDONNELL]

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41. DEA/50000-B-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

TOP SECRET [Ottawa], May 14, 1956

POLITICAL FACTORS GOVERNING A DECISION TO EXPORT JET INTERCEPTOR AIRCRAFT TO ISRAEL

In my memorandum of May 11 concerning the question of the export of jet aircraft to Israel, I said that I would send you a separate memorandum on the political considerations involved. The following seem to be the principal political factors which might be taken into consideration in arriving at a conclusion as to whether to export F-86 fighter aircraft to

Israel. First are set out the arguments in favour of sending either the full order of 24 or something less than that number.

Arguments for shipment

(1) It is a simple act of justice to enable Israel to defend itself. As an active member of the United Nations we share the responsibility for the establishment of that State and we share the obligation to see that the Israelis are in a position to defend themselves against an attack by those whose real objectives may be obscure but who have at any rate publicly threatened the destruction of Israel as a State. The Israelis in fact possess no adequate defence for their cities against the new Soviet bombers.

(2) It is conceivable that the principal danger of war breaking out at the present time arises not from any immediate intentions of the Arab States but from a fear psychosis which the Israelis suffer. If it is true that before the end of this year the Egyptians may be so strengthened by the Soviet countries that they will have superiority over the Israelis, then the temptation must be strong for the Israelis to launch a preventive attack. The sense of confidence which they would gain from having a fighter protection would diminish this temptation. It is in any case known that extremists in Israel have been advocating preventive war. Provision of defensive armament to Israel would strengthen the government's hand against the extremists. Mr. Hammarskjöld has brought with him from the Middle East the impression that Prime Minister Ben Gurion — as well as Col. Nasser — are against extremist action.

(3) The United States Administration, while refusing to send aircraft to Israel, clearly is anxious that friendly countries should do so. There is much in this position that is irritating and embarrassing but, if we consider broad international issues rather than our purely national interests, it is possible to recognize some logic in the American position. An arms race in the Middle East, with the Communists supporting the Arabs and the United States supplying the Israelis, is certainly not a happy prospect. It could easily degenerate into a straight arms race between the Russians and the Americans in the area. Furthermore, it is not in the general interests of peace that the United States should become committed to one side and so thrust the Arabs unrestrainedly into the arms of the Russians. Such a policy can be criticized glibly, as it is in some quarters, as a refusal to take a firm stand but it is often the wisest diplomacy to play a cautious game. The most laudable feature of American and British policy in the Palestine issue has been that, although it has done much that may be questionable, it has been characterized by a recognition of the fact that there is right on both sides and that a settlement can be achieved only by compromise and agreement and not by the triumph of one side or the other. As it is American policy, rather than the policy of her less powerful allies, which is predominantly significant in this area, a decision of the United States to supply arms to Israel would have an effect on the equilibrium of the Middle East which would not be produced by similar action on the part of Canada. It is true that we, rather than the United States, would have to take the anger of the Arabs and this is unpleasant. However, we have no very important purely national interests in the area, our fund of goodwill is apparently fairly large and this might well be a small sacrifice for us to make for a common cause. It is not right to think in terms of "pulling American chestnuts out of the fire". The chestnuts in this dangerous area are as much Canadian as they are American or British, because we would be inevitably involved in the consequences of war.

(4) It can well be argued that Nasser is engaged in blackmail. He and his agents and his Arab colleagues, including the local representatives, constantly threaten that any shipments of jet aircraft by Canada to Israel will be matched by further orders from Czechoslovakia. It would be unwise to allow him to paralyze support of Israel in this way. Israel is in a

dangerously weak position, so long as her cities are vulnerable to destructive attack from the air.

(5) Much of the objection to our shipment of arms to Israel arises from a not very clearly thought out opposition on vaguely pacifist grounds. The fact is, however, that F-86 aircraft are as purely defensive as anti-aircraft guns. They could never be used for aggressive purposes but only for preventing hostile attacks on the overcrowded territory of Israel.

2. There are also arguments against our taking any action to ship aircraft to Israel or at least against taking action at this time.

Arguments against shipment

(1) Canadian relations with the Arab States would almost certainly suffer a severe blow, since F-86 aircraft would represent a major accession to Israeli military strength, albeit defensive. It is clear from the attitude of the Arab representatives in Ottawa and from moderate spokesmen like the Secretary-General of the Lebanese Foreign Ministry, who was here recently, that their countries would react very vigorously. We are not likely to suffer any very direct consequences, with the possible exception of a few broken windows in our Missions in Cairo and Beirut, but we should foresee the probability of an end to the reasonably good relations we have had with the Arab States in the United Nations and elsewhere. (If our assistance to Israel was on a modest scale and not continued, the reaction might not be as strong as we have been led to expect.) Our interests in the area are not great and any economic loss which might result from ill-will would probably not affect us greatly. The principal loss would probably be to our capacity to influence the situation in the Middle East any further. One should perhaps not take too seriously the constant statements by Arab leaders to us that Canada is looked upon by the Arab countries as one of the few Western Powers without any axes to grind in the area. However, one should not dismiss lightly the possibility that we could play a very useful role of mediation in the right circumstances. It is doubtful that we could do so if we were to supply Israel with jet aircraft at the present time. There is little doubt that the Arabs would regard the Canadian sale of jets to Israel as a partisan and unfriendly act.

(2) The best example of course of the role that Canadians can play is the work which has been done by General Burns, which is greatly respected by both sides. There is the danger that what would be considered partial action on the part of Canada in supplying one side with highly important weapons might adversely affect General Burns' position. It is by no means certain that it need do so but there is an element of risk. General Burns himself has told our Ambassador in Cairo that he hopes very much that Canada will not supply these weapons to Israel, or indeed give Israel any encouragement that we will do so at this time. He did not however argue this point on the grounds of the effect on his own position.

(3) United Nations officials are opposed to the sale. The reason why General Burns urged that we should not supply jet aircraft to Israel was that he did not think that, at the present time, it would have the right psychological effect on the Israelis. He clearly believes that the Israelis have caused a good deal of the recent trouble by being over-aggressive; that at the present time they need chastening rather than encouraging; and that this is having a salutary and restraining effect upon them. He is afraid, therefore, that a supply of jet aircraft would not give them the confidence to play safe but would inspire them to further provocative action. He argues therefore for the policy of constraint upon Israel. This was being advocated by the United Kingdom and the United States some weeks ago, but rather in regard to the possibility of an overall settlement, so as to induce Israel to make the necessary territorial concessions. We have been informed that Mr. Hammarskjöld holds the

same views as General Burns in this matter and is strongly of the opinion that important arms shipments should not go to Israel at this time.

(4) It is unfortunate but true that Israel is looked upon by most of the anti-colonial nations of Africa and Asia as something in the nature of an imperialist stronghold. The support of these countries whether Muslim or non-Muslim has, as was revealed at Bandung, been given to the Arabs. Canada has to play and must continue to play a not insignificant role in the effort to remove causes of friction between the so-called anti-colonial and the colonial powers. This may well be the most vital issue in international affairs today. It is probable therefore that forthright support of Israel on our part would be looked upon as aiding and abetting imperialism not only by the Arab states but also by our friends in Pakistan, Indonesia and elsewhere.

(5) However justifiable the American position may be on this issue, as argued above, there is a strong case to be made for the common acceptance of responsibility by the Western Powers. If Israel should be supplied with arms, then the responsibility and the consequences should be shared by not only France, the United Kingdom and Canada but by the United States as well. United States intentions are unfortunately no secret already. Mr. Dulles has made it quite clear to all those who are interested that he would like Canada to send to Israel the jet aircraft which the United States does not want to send itself. The shipment of aircraft by Canada, therefore, might not only fail in its purpose of preserving American neutrality but might make Canada look, in the eyes of the world, like a satellite. Mr. Khrushchev took the position in London that the Soviet Union was not supplying Egypt with arms, that these were being sent by Czechoslovakia, that it was purely Czech business. It would be humiliating if Canada were seen in the eyes of the world to be playing the same role for the United States as we assume Czechoslovakia is playing for the Soviet Union.

(6) It may be worth considering that, in view of the strong arguments put forward by yourself in the NATO Council for more consultation on and coordination of policy by NATO members on important issues, no action should be taken on such an important matter without at least discussing the subject more fully with our friends. This argument may be all the more true in that it appears that not only France and the United Kingdom but also Norway, Italy and possibly other members of NATO have been asked for aircraft by the Israelis. Coordinated policy might be wiser lest Israel, by dealing with individual nations, obtain a greater number of aircraft than is considered necessary by the West for her self-defence. Furthermore a regulated contribution to Israel's defence by several western powers would help to prevent Canada from being placed in the position of appearing to take the lead in shipping arms to Israel.

(7) We have been arguing of late in favour of the importance of bringing the Soviet Union into a responsible position in settling the Palestine issue. One of the possible moves towards achievement of such a settlement would be the establishment, not of an arms embargo, but of some kind of international arms control. Such an idea did not make much progress at the recent London discussions but it need not yet be ruled out. It might be argued that we ought not to begin supplying important arms to one side, when there may be some prospect of securing an agreement with the Russians in the United Nations or elsewhere. On the other hand, of course, it is possible that the best way to make the need for arms control apparent to the Russians and to others would be some balancing of the shipments to Egypt with shipments to Israel. The Arabs are, perhaps, less likely to agree to any control of shipments if they have reason to believe that the West is not going to supply Israel anyway.

(8) Finally the sale of F-86's to Israel may stir up public controversy and rouse uneasiness in Canada. During the debate over the export of Harvards to Egypt the Government gave the impression that it would be very wary about exporting substantial quantities of arms to the Middle East during the existing tension.

R.M. M[ACDONNELL]

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42. DEA/50000-B-40

Note du chef de la Direction économique

Memorandum by Head, Economic Division

SECRET [Ottawa], May 22, 1956

F-86'S FOR ISRAEL — MR. COMAY'S INTERVIEW WITH MR. PEARSON ON MAY 21

At the request of the Israeli Ambassador Mr. Pearson saw Mr. Comay around noon on May 21. At the outset Mr. Comay indicated that he had come to discuss their application for permission to export 24 F-86's.

2. Mr. Pearson informed Mr. Comay that no decision had yet been taken and that one was not likely for several weeks. He mentioned some of the difficult problems involved in a decision. Whatever effects the actual delivery of these aircraft might have, an announcement that Canada had decided to release them would undoubtedly receive headline treatment throughout the world and would not help to maintain the fairly calm atmosphere required for discussions of Arab-Israeli relations in the immediate future. Mr. Pearson also remarked that although the difficulties standing in the way of action by the U.S. itself might be appreciated, any impression that Canada was acting in place of the U.S. would not be well regarded here and would not improve the reception of any decision to let these aircraft be exported. Canadians would resent any implication that their government was acting on behalf of the U.S. in the same way as Czechoslovakia had acted for the U.S.S.R. Mr. Pearson indicated that he did not intend to press for a decision now. He thought that this matter could probably be considered by the Canadian Government more satisfactorily at a later stage. He wished in particular to wait until Mr. Hammarskjöld had reported to the Security Council. He also thought that a delay in any Canadian decision might be used in a small way as leverage in encouraging the U.S., U.K. and others to make some progress on the political problems of the area. Mr. Pearson emphasized that domestic political considerations in Canada were not responsible for delaying the Government's decision. He remarked that the moderate statements from Ben Gurion (and the report that an Egyptian newsman had visited Israel and apparently been quite well received) were all helpful. Mr. Pearson told Mr. Comay that he would like very much to see Mr. Hammarskjöld when he was visiting Montreal although he was not sure that this would be practicable, and he also hoped to see General Burns during his visit to Ottawa to see his family in the near future. Mr. Pearson said that after his visit to Washington early in June, when he might have a chance to discuss this and other matters with Mr. Dulles, he would be pleased to see Mr. Comay again and he would also hope to review the question with Mr. Comay upon his return from Europe in July.

3. Mr. Comay then outlined the views of the Israeli Government on the question of timing or phasing. As they saw Mr. Hammarskjöld's mission, it was in the nature of a "stop-gap" operation. The next phase required the restoration of a "military stalemate". Over the next 12 months the Israelis were confronted with the prospect of witnessing the

building up of forces on the other side while the gaps in their own defences remained largely unfilled. While there had been, and doubtless would continue to be, some improvement in Israel's land defences, there was little chance of making real progress in strengthening their Air Force without these fighter aircraft from Canada. In this connection Mr. Comay observed that the authorities in Tel Aviv were not counting heavily on reports of numerous crashes of Egyptian aircraft acquired from the Soviets. Israel's relative position in the air looked very unpromising. It was important that something be done to rectify this situation. The restoration of the military stalemate in this sense would fit in with the pattern of action through the U.N. and by other means to improve the political situation. Such an approach did not run counter to these activities. The proper sequence would be a cease fire, the achievement of military balance, and then political progress.

4. The Israeli authorities were considerably worried about the possibility of a premature embargo on arms shipments to the Middle East. At this stage such an action would have the effect of "freezing the imbalance".

5. Mr. Comay implied that in the present situation the parties concerned in the Middle East (and by this he presumably meant Israel in particular) might be hesitant about giving any evidence of progress towards a political settlement since that might inhibit releases of necessary arms. Any movement towards a political solution was scarcely likely to be made until the arms imbalance had been redressed.

6. Mr. Comay felt that there might be only a "fleeting moment" within which it would be possible to restore the arms equilibrium. If the military situation were to get worse the countries capable of supplying arms might hold back as they would not wish to "stick their heads in". If the political situation becomes more complex (for example, if the exploration of various possible solutions is undertaken in the Security Council or elsewhere), most countries would also not be anxious to release arms to Israel.

7. With regard to the actions and reactions of the Soviets, the Ambassador felt that the damage which they were going to do has already been done. They would continue to determine for themselves how many arms it was in their interest to supply and they would not be much affected by the amounts provided by Western countries to Israel. So far as the Soviets were concerned, Israel was a side issue. Soviet activities in the Middle East were aimed at the Baghdad Pact. Whether or not Israel received a few more planes would have no effect on Soviet deliveries. Moreover, the Egyptians had "bitten off as much as they could chew" and the Soviets would not see any advantage in supplying them with additional arms which they would not be able to use effectively but would probably have to leave in the packing cases. Mr. Comay was convinced, therefore, that there was no risk of increased danger from the Soviets if Canada were to release these aircraft to Israel.

8. The Minister then speculated on the possibility of some kind of Mediterranean security pact as a means of helping to stabilize the situation in the Middle East. Apart from his doubts about the practicability of such a pact, including both Israel and Egypt, Mr. Comay wondered whether it could be effective in the Middle Eastern situation.

9. The Minister referred to the change in Prime Ministers in Jordan and Mr. Comay was not inclined to attach much significance to this development. He remarked that the Government of Jordan was in no sense democratic and that a little group in Jordan tended to take turns in serving as Prime Minister.

10. Mr. Comay mentioned that he talked recently with the Conservative Party's Foreign Affairs Committee, at their invitation, regarding the Middle Eastern situation. He had deliberately avoided getting involved in discussion of the request for the release of aircraft from Canada. Mr. Pearson thought this was quite appropriate and saw no objection to the

Ambassador continuing to discuss privately the issues involved. He thought it would also be quite fitting for the Egyptian Ambassador to do likewise. He thought it would be quite unwise for either Ambassador to get involved in a public campaign of any sort on this subject.

11. In conclusion Mr. Pearson emphasized that the delay on a decision on the request for F-86's implied no weakening of support in Canada for the existence of the State of Israel. He was confident that in the event of aggression occurring the Canadian Government would be anxious to see the U.N. intervene effectively and would support such U.N. action as might be necessary. Mr. Comay said he had no doubt of the willingness of Canada and many other countries to play their part in that kind of a situation but he remarked that any U.N. decision could apply only to the second stage. What the Israeli Government was anxious to do was to ensure that it could defend the centres of the country in the initial stage of any attack that might be made.

A.E. RITCHIE

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43. DEA/50000-B-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM E-507 Ottawa, May 28, 1956

SECRET. IMMEDIATE.

Reference: Your telegram No. 776 of May 22.†
Repeat London, Washington, Paris (Information).

ARMS FOR THE MIDDLE EAST

Thank you for your prompt comments, which I have considered carefully.

2. I have somewhat modified my ideas relating to this particular case. The purpose in putting this problem before the Council would be twofold — to obtain an expression of views which might be of assistance to the Government in reaching a decision on the Israeli request, and through example to encourage discussion of political problems within NATO. For various reasons touched on below I am now doubtful whether the proposed discussion would significantly further either of these objectives, and I am conscious of certain real disadvantages in putting the matter forward at present. Despite my earlier telegram, therefore, I do not now wish you to propose this subject to the Council at the present time.

3. With regard to the problem facing the Government, I have come to the conclusion that it would be inappropriate to announce or even to take a final decision for some time, perhaps several weeks. It seems to me that if the matter is discussed in the Council there are three possibilities. One is that the general reaction will parallel that of the Three Great Powers, which are favourable to the proposed release. Should this occur it might be more difficult subsequently to refuse the Israeli request if that were desired; I do not think this development likely, however, in view of Spaak's attitude at the ministerial meeting and Norway's recent refusal to release Vampires to Israel. Perhaps more probable is a clear split, with the Three Great Powers favourable to the release and the rest, led by Belgium and Norway, opposed. This could be somewhat embarrassing, both to us and to the Coun-

cil as a whole. Finally, and most probably, the expression of opinion apart from the three might well be inconclusive. This would do no harm, but would not help much. In summary, therefore, and confirming your own view, I cannot see that such a discussion at this particular time would greatly help us in determining our own policy on the question.

4. The possibility of using this problem to stimulate political discussions in the Council, obviously a desirable objective, is certainly more interesting. Here also, however, I have doubts. For one thing, such discussion should obviously be set in a proper context. It would not appear useful to initiate a council discussion of a particular case (such as the Israeli request for F-86's) without first holding a fairly thorough exchange of views on Arab-Israeli relations in general; within the framework of such a discussion it would then be possible to go on to consider the question of arms shipments to the area. To talk about arms export policy without a preparatory discussion of the general political problems would not appear likely to lead to constructive results; this would be still more true if discussion were to be focussed on a particular proposed shipment.

5. It might be that such a general discussion could be useful, although it would involve the risk of suggesting that NATO was becoming involved in Middle East affairs to counter Soviet intervention in the area. If it were to convey the impression that Arab-Israeli dispute is becoming another arena for the East-West conflict with which NATO is inevitably associated, it would run directly counter to the aim of establishing UN responsibility for the Middle East problem under which an understanding might be reached with the USSR. These considerations might militate against NATO identifying itself with any specific aspect of Middle East affairs, and in particular would make NATO involvement inopportune at the present time when there seems to be some real possibility of coming to an understanding on this matter with the Russians within the UN context.

6. Aside from the lack of previous preparation in the form of prior discussion of general Middle East problems, the request for F-86's has a more specific disadvantage as a subject for NATO consultation. There are certain factors having an important bearing on the problem which we would not feel free to introduce explicitly in the Council. The intelligence estimates available to us come mainly from US and UK sources, and we could not put before the Council the figures on estimated aircraft holdings of Middle East countries. Likewise we could not refer to the indications we have had of the views of UN officials, since this would compromise their position. It is doubtful whether we would advance the cause of consultation by introducing as an example a case on which we could not ourselves frankly put all of our cards on the table (a point on which we have been disposed in the past to criticize the Great Powers).

7. Finally, there is the risk of a leak. I understand that a recent issue of the *Economist's* "confidential report" has a fairly accurate and detailed account of the discussion of the Greek request for comments on the problem of providing transit facilities for Middle East arms shipments.[73] If it were to become known that NATO was discussing the actual merits of the Arab-Israeli dispute, or passing judgment on proposed arms shipments, it might do serious harm both to the organization and to the precarious situation in the Middle East by possibly appearing to put the dispute on a NATO-versus-Soviet-Bloc basis. If such discussion involved reference to the views or supposed views of UN officials it might even endanger the position of General Burns and his staff.

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[73] Voir/See *Foreign Report*, No. 475, Confidential, May 10, 1956, "NATO's Arms Dilemma", p. 8.

8. I recognize that none of these objections is conclusive, but I am now doubtful if there are advantages sufficient to outweigh the disadvantages of bringing forward this particular Israeli request for discussion.

44. DEA/50000-B-40

Note du secrétaire d'État aux Affaires extérieures
pour le premier ministre

Memorandum from Secretary of State for External Affairs
to Prime Minister

SECRET Ottawa, June 1, 1956

ARMS FOR ISRAEL

The Israeli Ambassador was instructed by his Prime Minister, Mr. Ben Gurion, to deliver to you personally a message. He very sensibly realized that you were too busy to receive him and he left it with me. I told him that I would forward it to you immediately and it is attached. He also hopes, and in view of the importance of the matter to Israel, I think this is not unreasonable, to have a word with you after you have studied the letter.[74]

Mr. Comay also left with me an Aide Mémoire regarding the present Israeli application for F-86 jet planes, which I am also attaching to this memorandum.

So far as the first point is concerned, it seems depressingly evident that he is right in stating that the Security Council is not at present initiating any move toward a political solution. The meeting now being held will merely pass a resolution commending the Secretary General for his recent cease-fire effort, but does not go much further than that.

L.B. PEARSON

[PIÈCE JOINTE 1/ENCLOSURE 1]

L'ambassade d'Israël
au premier ministre

Embassy of Israel
to Prime Minister

NOTE NO. 39 Ottawa, May 31, 1956

SECRET

The Ambassador of Israel presents his compliments to the Prime Minister and has the honour to convey to him the following message from the Prime Minister of Israel:

"My dear Prime Minister,

Though not honoured with your acquaintance, I am addressing myself to you personally, relying on the sympathetic understanding of our problems, which, as I know from Mr. Sharett, you have always manifested.

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[74] La note suivante a été jointe à ce document :/The following note was attached to this document:

Memorandum for External: Please prepare an appropriate answer to the Ambassador. I am afraid it will not be possible for me to see him within the next few days nor to reach now an affirmative decision. L. St. L[aurent].

"The question of selling Israel a number of F.86 jet-planes has been for some time on the agenda of your Cabinet. I should like to impress you with the urgency of the matter, and its paramount importance for the preservation of peace in the Middle East.

"As a result of the acquisition by Egypt of some 250 jet-planes — fighters and bombers — of very high effectiveness, and of an additional number by Syria, we are faced with the menace of overwhelming superiority in the air. The attitude of the present rulers of Egypt — expressed in their preparations for aggressive warfare and in a virulent campaign of hatred and revenge against Israel, relentlessly pursued by their propaganda machine — impels us in the first instance to seek elementary safety in reinforcing our defensive strength.

"Our purchase of twenty-four French Mystères leaves us still gravely threatened. We do not aspire to full numerical parity in planes with Egypt, let alone with all the Arab countries together, but we are convinced that trebling the number of our fighter planes of this class is the indispensable minimum to deter aggression and to enable us, if need be, to withstand attack. Should Canada sell us twenty-four F.86's, France may well come forward with yet another twenty-four Mystères. If not, the French Government has already informed us that it is not prepared to continue in isolation as the sole Power willing to provide Israel with these necessary defensive arms. We shall then be left in the lurch.

"The right of nations to self-defense is enshrined in the Charter; yet that right remains an abstract formula, and aggression is encouraged, if the instruments of self-defense are beyond the reach of a nation whose security is endangered. Self-defense can become a reality only if States which possess or manufacture certain weapons are ready to place them at the disposal of friendly countries which do not. This is the moral and practical burden of my appeal to you.

"On a number of crucial occasions in the evolution of our fortunes during the past decade, Canada's weighty word has been of far-reaching importance. I feel confident that Canada will never have cause to regret her record with regard to Israel, which history will prove to have been one of international wisdom and justice. In the present case again, by responding to our urgent appeal, Canada will not merely extend a helping and protecting arm to Israel in the hour of her need and peril, but will act in the interests of international peace and co-operation.

With cordial and respectful greetings,

Yours sincerely,
DAVID BEN GURION"

The Ambassador of Israel wishes to renew to the Prime Minister the assurances of his highest consideration.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Aide-mémoire de l'ambassade d'Israël

Aide Mémoire from Embassy of Israel

SECRET Ottawa, May 31, 1956

The following recent developments have a bearing on Israel's application for F.86 jet planes which is at present under consideration by the Canadian Government:

1. *The Security Council Discussion*

It is now clear that the Security Council is not at present initiating any move towards the solution of Arab-Israel political issues. Arab delegations are apparently opposed even to the text of the United Kingdom draft Resolution, which does not call for any further specific action either by the Council or by the Secretary-General. In particular, they are strongly objecting even to mentioning the possibility of a "mutually acceptable" solution. It would appear, therefore, that the best that can be hoped for under present circumstances is to consolidate the ceasefire and avert the threat of war, by measures restoring some military balance.

2. *Arab War Preparations*

The information available from public and intelligence sources indicates that intensive war preparations in the Arab countries has not slackened, and that the threat to Israel continues to grow rapidly. For instance:

(a) Egypt has recently received an additional twenty Soviet jet-bombers, bringing its jet-bomber strength up to sixty, apart from about two hundred MIG jet-fighters.

(b) Egypt is now developing night-bombing capacity, against which Israel is helpless without F.86 interceptor jet-fighters.

(c) The delivery of Soviet planes to Egypt has been speeded up by flying them via Yugoslavia and Greece.

(d) Egyptian training programmes both in Egypt and in Polish and Czech military schools are being intensified.

(e) Egypt is establishing advance supply bases in the Gaza Strip and the Sinai Peninsula, in order to make forces operating against Israel less dependent upon lines of communication from the Nile Valley.

(f) Colonel Nasser has avowed that Egyptian recognition of Communist China has more military aid as a major motive.

(g) The Syrian-Czech arms deal, which has now officially been acknowledged, provides inter alia for the immediate delivery of twenty-five MIG jet-fighters, with perhaps more to come later.

(h) The recent changes in the Jordan Government and in the command of the Arab Legion have brought into control anti-Western and anti-Israel elements supported by Egypt, and have paved the way for integrating Jordanian forces into the Egyptian-led military coalition.

(i) There is a disquieting revival of Fadayeen activity across the Jordan border, and reports indicate the organized training of Fadayeen groups in Jordan with Egyptian help.

(j) Since the ceasefire negotiated by the Secretary-General, there has not been the slightest toning-down of the barrage of vicious anti-Israel incitement pouring through the Arab press and from Arab official radio stations. The Arab public is being indoctrinated with the notion that the "Palestine problem" can be solved only by the re-conquest of the country and the destruction of Israel.

Any study of Arab rearming established that it is proceeding under its own momentum, and that its scale and pace is determined solely by supply and absorptive capacity, and is little influenced by such defensive weapons as Israel may obtain.

3. *The Time Factor*

In the event of the sale of Canadian F.86's being approved, there will still be an unavoidable timelag of several months at least, before the planes can be ready for use in Israel.

They must be made available at the Canadian plant, undergo test flights, dismantled and crated, shipped from Halifax to Haifa, and reassembled and retested in Israel.

Apart from this, training facilities for the operating and maintenance of this type of aircraft will not be available to Israel until the purchase has actually been made.

These further delays involved in delivery and training must be seen against the fact that about eight months have already elapsed since Soviet jet-planes started arriving in Egypt.

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45. DEA/50000-B-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 1111 Washington, June 11, 1956

SECRET

Reference: Our telegram No. 1050, June 1, 1956.†

ARMS FOR ISRAEL

Following for the Under-Secretary, Begins: Before lunch today the Secretary of State raised this question with the Minister enquiring whether the Government had made any decision with regard to the F86s. Mr. Pearson told Mr. Dulles that the Cabinet had decided to do nothing now. There had been considerable pressures in Ottawa from both sides. He went on to tell Dulles (for his own personal information) that Burns did not himself consider that provision of these aircraft at this time would contribute to stability in the area.

2. Mr. Dulles said that the USA Government would like to be in a position to give prompt and effective assistance in the event of "a clear case of aggression coming up". If Egypt were the party attacked, the USA would be able to do this because of the nature of their requirements — anti-tank and anti-aircraft guns and the like. The position of Israel was different and more difficult. They wanted fighter aircraft which, because of training and technical requirements, would take longer and be more complicated to transfer effectively to the Israeli airforce. In this connection USA authorities had been wondering whether the Canadian manufacturer (Canadair) could allow a certain number of Israeli pilots and technicians to receive training at this stage, even though the Government were unwilling to release F86 aircraft.

3. The Minister undertook to have the Secretary's suggestion looked into on his return to Ottawa. He spoke of the Prime Minister's unwillingness in the present circumstances to have Canada take such a "dramatic" step as to provide twenty-four or more modern fighter aircraft to Israel. The situation might alter, of course, but for the moment the Government would not permit their release.

4. Mr. Dulles drew the Minister's attention to the heavy and growing political pressure upon the administration here to release arms to Israel. The President was probably the only person who could hold the line against such pressure and it remained in doubt whether this could continue to be done in an election year.

5. Finally, Mr. Dulles spoke of USA intelligence concerning Egyptian accumulation of submarines and naval equipment in considerable quantities. The reason for this was

obscure and possibly sinister. This did not seem an appropriate concentration for anti-Israeli operations. Was there any Soviet purpose being served in this?

6. The State Department will no doubt be expecting to hear from us fairly soon on Mr. Dulles' enquiry concerning the possibility of training at Canadair for Israeli aircrew and technicians.

[A.D.P.] HEENEY

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46. DEA/50000-A-40

Le premier ministre
à l'ambassadeur d'Israël

Prime Minister
to Ambassador of Israel

SECRET Ottawa, June 14, 1956

Dear Mr. Ambassador,

Mr. Pearson informed me of your recent interview with him, and sent me your Note. No. 39 containing the message from Mr. Ben Gurion together with the Aide Mémoire concerning your Government's request for F-86 aircraft. I am aware that Mr. Ben Gurion wished you to deliver this message to me personally, and I regret that the demands on my time, especially Parliamentary demands, have not permitted me to see you. I have been considering carefully Mr. Ben Gurion's message and the various matters to which it relates. I should be most grateful if you would transmit to Mr. Ben Gurion the following reply to his message:

"My dear Prime Minister,

I wish to thank you for your recent message conveyed to me by Mr. Comay. Although, as you say, we have not met, I have been well aware of the problems with which your country is faced and which are so impressively described in your message, and I can assure you that my Cabinet colleagues and myself have the fullest understanding and sympathy for the difficult position in which Israel is today.

We are very conscious, particularly in the light of your message, of the considerations underlying your request for F-86 aircraft. Indeed we have had these considerations fully in our minds since your request was first received, and we recognize that you are anxious for a response.

Nevertheless this request raises very difficult and complicated problems for us — problems with which Mr. Comay is familiar and which I am sure he has brought to your attention. Unfortunately these problems are still under consideration and I am therefore unable to say now when a decision will be reached.

I realize that this must be a disappointment to you, and I wish to assure you again that we are in no sense unaware of the importance of this matter to you and your country. We have before us also, as you have, the essential fact that peace must be preserved in the Middle East and a constructive solution found to the conflict which has divided and deeply disturbed that area. We will do all in our power to contribute to those interdependent aims. You need no words of mine to assure you of the sympathy which I and my colleagues, and the people of Canada, have and will continue to have for all the people whose very lives have been rendered insecure as a result of that conflict.

In closing, I wish to thank you for communicating with me and I repeat that I have very much at heart the problems and burdens which press upon you.

With cordial and respectful greetings,

Yours sincerely,
LOUIS S. ST-LAURENT."

May I thank you in advance for sending this message on to your Prime Minister, and express again my regret that I am unable to talk to you about these matters at the present time.

I am, etc.
[LOUIS S. ST-LAURENT]

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47. DEA/50000-B-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

SECRET [Ottawa], June 19, 1956

EXPORT OF F-86'S TO ISRAEL

I attach for your consideration a copy of a letter of June 15 from the Israeli Ambassador, Mr. Comay, to Mr. Pearson. It appears that this letter crossed the one which you sent to Mr. Comay the same day giving a reply to the message from Mr. Ben Gurion. I also attach for your convenience a copy of that letter, and of two background memoranda setting out various considerations having a bearing on the Israeli request.

2. I should point out that the complaints in Mr. Comay's letter are somewhat misleading. Mr. Pearson saw Mr. Comay (before his trip to Washington) and made it clear to him then that there was no immediate prospect of a decision. He undertook to talk to Mr. Comay again about the matter on his return from Washington (this he was unable to do) or on his return from Europe. Thus Mr. Comay had no reason to expect a decision by now or for some time to come. The new tone in his letter appears therefore to reflect fresh instructions rather than an unexpected delay on Canada's part.

3. Mr. Pearson spoke to me before his departure about this new letter from Mr. Comay. He asked me to bring it to your attention, and to suggest that it would be desirable for you to see Mr. Comay if you possibly can before your own departure for London. His suggestion was that you might speak to Mr. Comay along the general lines of your letter and the message for Mr. Ben Gurion.

4. I had an opportunity to discuss this matter further with Mr. Pearson before he left and he asked me to pursue it further with you. This subject has now been under consideration by the Government for several weeks, and not only are you under constant pressure from the Israeli authorities but also from Mr. Dulles who takes a special and keen interest in the matter. (Mr. Dulles called Mr. Livingston Merchant yesterday and asked him to make further representations about the training of Israeli pilots in Canada.) If there is little likelihood of the Government taking an affirmative decision in the near future, the time may have come to decide that the Israelis as well as our friends in Washington be told that no affirmative decision will be taken except as an element in a collective decision by the Western Powers on the need to provide Israel with military assistance of this type up to

squadron strength. This would mean that Canada would not release F-86's to Israel unless such release were part of an agreed plan in which other Western Powers, preferably the United States and also the United Kingdom, Italy and possibly France, would participate. For example, Canada could provide six F-86's and the United Kingdom, the United States and Italy could do likewise, France having already provided twelve "Mystères". What would be important would be the collective nature of the decision involved.

5. The question of the training of Israeli pilots in Canada would create serious difficulties if divorced from the release of F-86's; if some planes were made available to Israel, however, it would be quite normal for Canadair and possibly the R.C.A.F. to train Israeli pilots since this is normally done when sales of planes are approved.

6. If you agree with this general line you might wish to mention it to Cabinet; if you prefer I could telegraph this proposal to Mr. Pearson in Paris and he might have time to mention it to the French authorities as well as to the Foreign Office on his return to London later on in the week.[75]

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

L'ambassadeur d'Israël
au secrétaire d'État aux Affaires extérieures

Ambassador of Israel
to Secretary of State for External Affairs

SECRET [Ottawa], June 15, 1956

Dear Mr. Pearson,

I have had instructions from my Government to request an interview with you in connection with our application for F.86 Sabre jets. As I understand you are leaving for Europe to-morrow, I am writing this note to you, and shall be entirely at your disposal should you be able to receive me for a talk before your departure.

The substance of my instructions is to convey the very great concern of my Government lest the urgent application made two and a half months ago should not meet with a positive response for yet a further period.

My Government is aware that this matter has been receiving earnest and sympathetic study, and that every factor and piece of information which in its opinion could have a bearing on it has been brought under our mutual examination. During this time, my Government has also been kept informed that a decision in Ottawa has been delayed by the necessity for full consultation with other interested governments, by the Hammarsjöld Mission, and recently by the pressure of events nearer home.

In the intervening period, the hope arose that the Security Council would initiate a move towards a mutually acceptable political settlement, but that hope has now been dashed. Furthermore, the expectation has not been realized that the Soviet Bloc might cease the flow of weapons to the Arab States, which has created so perilous an imbalance.

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[75] Note marginale :/Marginal Note:

Original discussed with the Prime Minister by the Under-Secretary [Auteur inconnu/Author unknown].

Now, nine months after the original Czech-Egyptian arms deal, we witness Arab rearmament proceeding at a feverish pace, without any curb whatsoever, while the design to encircle Israel with a hostile military coalition under a joint command is making alarming progress.

In recent months we have received much assurance that the danger to Israel is recognized by Western statesmanship, and that the need is accepted to augment Israel's deterrent strength immediately, in order to avert a bloody catastrophe not only for us but for the whole world. My Government does not doubt the sincerity or the goodwill of the governments to whom it has turned in this emergency. Yet, two unhappy facts stare it in the face:

(a) that no Power, great or small, stands committed to Israel's defense; and

(b) that Israel has not been able to acquire adequate defensive armament — in particular, the three squadrons of modern interceptor planes which are the barest minimum to shield our people against devastation from the air. (By themselves, the 24 French Mystères could be swamped in battle by sheer weight of numbers.) It was the horrifying reality of this defencelessness against air attack which prompted Mr. Ben Gurion to cable the personal message to the Prime Minister, of which I handed you a copy a fortnight ago.

The point is now being reached where the Government must embark upon a sober reassessment of Israel's security plight. If it were forced to conclude that the F.86 planes did not seem to be obtainable from Canada in the near future, that conclusion might inevitably have far-reaching and grievous implications.

You will appreciate that only the gravity of the issues involved, and the mounting danger to the country, have brought my Government to state its position in such frank terms. It does so in the earnest hope that, in the light of this situation, the Canadian Government will now find it possible to take an affirmative decision. The manner in which that decision could most speedily and effectively be implemented could then be discussed.

In making this fresh submission, my government is conscious of that deep friendship and understanding which Canada has always demonstrated towards Israel and which the Premier of Israel recalled in his message.

I would greatly appreciate it if I could have the privilege of calling upon the Prime Minister in the near future in connection with Mr. Ben Gurion's communication.

Sincerely yours,

MICHAEL COMAY

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48. DEA/50000-B-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État par intérim aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Acting Secretary of State for External Affairs

TOP SECRET [Ottawa], June 20, 1956

EXPORT OF F-86'S TO ISRAEL

I attach a copy with enclosures of a memorandum for the Prime Minister based on a suggestion with which Mr. Pearson agreed before his departure for London. The Prime

Minister discussed the matter with me this morning, and is favourably disposed to Mr. Pearson's suggestion. He asked me to inform you of the matter and to suggest that you should put the matter before Cabinet at its meeting tomorrow.

2. The proposal as I understand it is that the Government might now decide that the Israelis as well as our friends in Washington be told that no affirmative decision will be taken except as an element in a collective decision by the Western Powers on the need to provide Israel with military assistance of this type up to squadron strength. The purpose of such a decision would be to remove the Government from the present situation where it is not prepared to release the aircraft, but equally does not wish flatly and finally to reject the Israeli request. In the present position, of course, the Government has been subjected to continuous heavy pressure from the Israelis for a favourable decision, and this pressure has been dependent in large part on the indications by Mr. Dulles that he hopes we will take a favourable decision unilaterally.

3. Should the Government decide to follow the course suggested there would then arise the need to discuss with other Western Powers the question of whether such assistance should be provided on a collective basis to Israel. For this purpose it might be desirable for Canada to join NEACC (the "Near East Arms Coordinating Committee"), a body sitting in Washington with France, Italy, the United Kingdom and the United States as members. While those countries have indicated that they would have no objection to our joining (and the U.K. at least would welcome it) we have so far declined in order to avoid any possible indirect commitment to join the other members in intervention should serious trouble break out in the Middle East.[76]

4. It might be proposed in NEACC that a collective release of one squadron be arranged, with perhaps Canada, the U.K., Italy and the U.S. each providing 6 F-86's. (France has already released 24 Mystère fighters.) In such a case the training of Israeli pilots to fly these aircraft (which Mr. Dulles is pressing us to undertake) would fall easily and naturally into the pattern. Lacking such a collective basis for the release of aircraft, however, the training of pilots would not appear a desirable course.

5. The Prime Minister in an interview with the Israeli Ambassador this morning has given him some preliminary indication of this new line of thought, explaining that he was proposing to discuss it further with his colleagues. You might wish to have a word with the Prime Minister before the Cabinet meeting.

6. Assuming that you follow the Prime Minister's suggestion of raising the question in Cabinet tomorrow, you might wish to speak along the lines set out below. After outlining the dilemma which the Government at present faces in considering the Israeli request, you could suggest the need for a course which would neither involve releasing the aircraft unilaterally nor rejecting the request outright, and at the same time would remove the heavy pressure to which the Government has been subjected for many weeks now by both Israel and the United States. This could be attained by informing all governments directly concerned that Canada is not under present circumstances prepared to release F-86's to Israel except as an element in a collective decision by the Western Powers. It would certainly be desirable that such a collective decision should involve at least a token release by the United States, but the United States election perhaps creates a special situation. It might therefore be possible to consider a release in conjunction with the other two members of NEACC (Italy and the U.K.) which have not so far provided such aircraft if the

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[76] Au sujet de l'adhésion du Canada au Comité de coordination du Moyen-Orient chargé des armes, voir le document 18.
On Canadian membership in the NEACC, see Document 18.

United States could be clearly represented as a participant in the decision involved; that question could, however, be left until the attitude of the other governments could be determined.

7. I have not attempted to prepare a document for circulation to the Cabinet, since it appears to me unlikely that a precise formula can be presented for formal approval at this stage. It might be sufficient for Cabinet to approve now the general lines of the course proposed, leaving the details to be worked out by the Ministers most directly concerned (the Prime Minister, yourself and Mr. Pearson).

J. L[ÉGER]

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49. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], June 21, 1956

Present

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of National Health and Welfare
  and Acting Secretary of State for External Affairs (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill).

The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

. . .

ARMS FOR ISRAEL; EXPORT OF F-86 AIRCRAFT
(PREVIOUS REFERENCE MAY 10)

13. *Mr. Martin, as Acting Secretary of State for External Affairs*, said it now seemed undesirable for Canada to make F-86 aircraft available to Israel under a bilateral arrangement. This view appeared to have the support of the U.N. Secretary-General and General Burns. The Secretary of State for External Affairs was considering a proposal under which the aeroplanes might be exported, but only as part of a collective arrangement involving the United Kingdom, France, Italy, and possibly the United States. The Prime Minister had discussed the whole matter with the Israeli Ambassador the previous day.

14. *The Prime Minister* said he had informed Mr. Comay that, while Canada would not take a lead in providing arms on a bilateral basis, he would discuss the practicability of a collective arrangement with his colleagues. He had also told the ambassador that, should these powers decide collectively to provide arms on a joint basis, Canada would likely be prepared to share in the arrangement.

15. *During the discussion* the following points emerged:

(a) The plan proposed might be possible of attainment, but it was doubtful if the U.S. would actually send any aircraft. The sale of one squadron of 25 aircraft was envisaged, with Canada supplying 6 if the U.S. took part, and 8 if she did not. It was noted that F-86's were produced in Italy, with U.S. aid, and if Italy were to take part, U.S. approval would be required.

(b) Participation in a collective decision to supply these arms did not necessitate joining the Near East Arms Co-ordinating Committee, even though it could be said that supplying the F-86's came about as a result of a decision of the committee's members.

(c) It was still considered advisable by some not to release the aircraft even under a collective arrangement.

16. *The Cabinet* noted the report of the Acting Secretary of State for External Affairs on the possibility of supplying Israel with a limited number of F-86 aircraft, as a result of a collective decision and under collective arrangements to be made by the United Kingdom, France, Italy, the United States, and Canada, and agreed that the proposal be discussed by the Prime Minister and the U.K. Prime Minister during the forthcoming Commonwealth meeting.

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50. DEA/50000-B-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM E-1113 Ottawa, July 13, 1956

SECRET. IMMEDIATE.

ISRAELI REQUEST FOR F-86 AIRCRAFT

In my immediately following telegram I am sending the text of a memorandum approved by Cabinet yesterday. The decision is that Canada will not unilaterally release any F-86's, but would consider joining with other countries in a collective action to assist Israel's defensive capabilities. To explore this possibility the first step is to learn the reaction of the United States to the idea that she might join Canada in such action with respect to F-86 aircraft. Merchant has spoken to me recently about this problem, and I therefore intend to seek United States views through the Embassy here. This telegram is to let you know our present position and the action I plan to take, both because you may be questioned by the State Department and because at a later stage discussions might be transferred to Washington.

L.B. PEARSON

51. DEA/50000-B-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM E-1114 Ottawa, July 13, 1956

SECRET. IMMEDIATE.

Reference: My immediately preceding telegram.

ISRAELI REQUEST FOR F-86 AIRCRAFT

Following is the text of the memorandum mentioned in my telegram under reference, which was approved by Cabinet yesterday, Begins:

CABINET DOCUMENT NO. 148/56 Ottawa, July 11, 1956

SECRET

ISRAELI REQUEST FOR F-86 AIRCRAFT

The Israeli request for the release of 24 F-86 aircraft has now been under consideration for some time, but it is still very difficult to decide how best to proceed. There is suggested below a course of action which might be acceptable, and in order that it may be adequately assessed it is proposed to review briefly certain considerations relating to the request.

2. The Israeli case rests on (a) the continued hostility of the Arab states, involving an unwillingness to consider peace terms acceptable to Israel and the possibility of a breakdown of the armistice and a consequent attack on Israel; (b) the arms deal of last autumn whereby Egypt acquired through Czechoslovakia perhaps fifty Soviet IL 28 jet bombers and a number of MIG fighters variously estimated at up to two hundred. The Israelis contend that if war should come they would be incapable with their present airforce, equipped with obsolescent aircraft only, of conducting a defence of their centres of population against Egyptian bombing. They would be prepared, however, to face this threat if they had three squadrons (72 aircraft) of fighters capable of intercepting Egypt's modern bombers. To meet this declared requirement, in view of the apparent unwillingness of the United States to provide them with such aircraft, they have asked France to let them have 24 Mystères (roughly comparable to the F-86) and Canada and Italy each to provide 24 F-86's. France, after consultation with Italy, the United Kingdom and the United States, has recently released the 24 Mystères requested. Indeed there is an unconfirmed report that France is considering the release to Israel of a further 12 modern fighters, but it is also known that France does not wish to be alone in providing such equipment to Israel.

3. The Italian F-86's, should they be released, would involve the United States to a greater or lesser extent. These aircraft are being assembled (but not, we believe, completely manufactured) in Italy under a U.S. offshore procurement contract for NATO use. The same was true of the French Mystères, but they were a totally French aircraft both in design and manufacture. Release of F-86's from Italy would involve not only U.S. consent, but the consignment to Israel of aircraft of U.S. design and (apparently) partial U.S. construction, ordered under a U.S. contract. The United States Government has so far

appeared reluctant to permit a diversion which would so much resemble the actual provision of the aircraft from the United States.

4. Canadian F-86's are produced in Canada under U.S. licence, but are virtually completely of Canadian manufacture with production taking place largely under Canadian Government contract. The United States is willing to see Canadian F-86's released to Israel, but it is entirely for the Canadian Government to decide whether or not such a release should be made.

5. Judged purely in terms of aircraft holdings, the Israeli requests are reasonable. On the other hand, it should be considered whether this increase in Israel's military capability albeit defensive, would in fact advance the cause of peace and assist in the search for a permanent and constructive solution to the problems of the Middle East. It may also be questioned whether the apparent refusal of the United States to play its part in solving this particular problem of Israel's air defences is reasonable and such that other countries should nevertheless respond to the Israeli appeal. Finally, and related to the last point, it should be considered whether the number of aircraft sought from Canada is justifiable in relation to the roles of the other western countries including the United States.

6. It can be argued that to provide these aircraft might if not increase at least do nothing to decrease the risk of war between Israel and the Arab states. It is apparently considered by some United Nations officials concerned that there is no immediate prospect of the Arabs starting such a war, and that the military insecurity in which Israel now stands is helpful in inducing her to be more reasonable. Conversely, if her present fear of Egyptian bombing were removed, Israel might demonstrate again the uncompromising, even belligerent attitude of which she has given some evidence in the past. On the other hand, it is not considered that the Egyptian Air Force will have mastered its new equipment for a few months yet, and there is always the possibility that Israel in desperation may seek war before that time comes in order not to lose her present relatively favourable military position. This risk of "preventive" war, if it is a real one, might be averted if Israel were to have the assurance that she will receive fighter aircraft in time to prevent Egyptian domination of the air.

7. To assess these political considerations is very difficult, and requires the fullest possible intelligence information which is available to Canada only with the assistance of the United States and the United Kingdom. A judgment as to whether or not Israel should receive the aircraft she has requested from the western democracies must relate full knowledge of the military capabilities of the countries concerned with the most careful estimates possible of their courses of action both if the aircraft are provided and if they are not.

8. If on balance it appears that Israel should receive all or part of the aircraft requested, there then arises the question of where they should come from. Already France has provided some, with U.S. and U.K. concurrence, and the United States and the United Kingdom have given Canada some encouragement to do likewise. This would appear to imply that the three countries with the best information on which to judge believe that the aircraft should be released. But two of these three countries whose positions are important to Canada are apparently themselves unwilling to act in the matter. It is difficult to see why Canada should act unilaterally, having less direct responsibility than any of the others. In addition there is the fact that Canada is serving on the Truce Supervision Organization, and her position there might well be prejudiced by the release. Resentment in Arab capitals, moreover, might lead to injury to the moderate volume of Canadian-Arab trade, violence against Canadian representatives, and other consequences only indirectly related to the aircraft transaction.

9. I would in this situation propose the following course of action. The Government might now decide that it will not unilaterally release any F-86's to Israel, but that in certain circumstances it would consider joining with another country or countries directly concerned to provide some aircraft. Such a release should depend (a) upon a joint or collective decision of those countries that the provision of such aircraft was desirable in their own interests and in the interests of security in the Middle East, and (b) upon collective action to assist Israel's defensive position. Such collective action might involve (subject to the collective decision on the total number of aircraft Israel should receive) the release of perhaps 12 F-86's by the United States, a like number by Canada, (possibly together with releases of some defence equipment by the United Kingdom). It may be, however, that it would not be possible to persuade the United States to participate so directly in the release of the aircraft; in that case a possible alternative which might be considered (but which I think should not be mentioned to the United States at this stage) would involve the release of some F-86's by Canada and, with the public consent of the United States, by Italy, together with releases of other defensive equipment by the United Kingdom and the United States. In neither case would any further French action be required, in view of the release of Mystères which has already taken place.

10. What I have in mind is a decision that no release should be made unilaterally, and that any release made as part of a collective action should follow a collective decision that such aircraft should be provided for Israel. The exact form of any such collective arrangement could be considered later if it appears that the other governments concerned would be willing to participate.

11. If the suggestion above is accepted, it would follow that we should take some action to initiate a discussion of this question among the Governments concerned. As the position of the United States would be of over-riding importance, I would propose first that our Ambassador in Washington should sound out the U.S. Secretary of State on the matter. If Mr. Dulles is not unreceptive, I would suggest that a meeting of representatives of the countries directly involved might then be arranged. This could conveniently take place in Washington, since the Ambassadors there of France, Italy and the United Kingdom have been accustomed in recent months to meet from time to time with senior officials of the State Department to discuss questions relating to the Middle East.

12. I therefore recommend that our Ambassador in Washington be instructed to explain to Mr. Dulles that Canada is not prepared to make a unilateral release, and to discuss with him the possibility of this question being considered collectively along the lines I have indicated. If Mr. Dulles does not appear firmly opposed, the Ambassador would be instructed to arrange a meeting with the Ambassadors of France, Italy and the United Kingdom and a suitable representative of the State Department. It would be the purpose of that meeting to seek an agreed judgment on whether or not it is desirable for Israel to be provided with modern jet fighters in addition to those which have gone from France, and if so to explore in a preliminary way the question of where they might come from, along the lines of collective action suggested above. Any specific proposal, which to be acceptable would have as a minimum to incorporate the concept of specific action by all or almost all of the five governments, would of course be referred to Governments for consideration.

L.B. PEARSON

Ends.

L.B. PEARSON

52. DEA/50000-B-40

Note de la Direction du Commonwealth et du Moyen-Orient
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Commonwealth and Middle East Division
to Under-Secretary of State for External Affairs

SECRET [Ottawa], July 17, 1956

ISRAEL'S APPLICATION FOR JET AIRCRAFT

The Minister saw the Israeli Ambassador at 12:30 on July 13 at Mr. Comay's request.

2. Mr. Pearson opened the interview by saying that he understood the Ambassador wished clarification of the statement which the Prime Minister made in the House on July 11[77] concerning the question of export of F-86 aircraft to Israel. The Minister said that there had not been much discussion in London on the specific question of arms for Israel. At the meeting of the Prime Ministers there had been some general talk about the situation in the Middle East. With regard to his own conversation with United Kingdom authorities, the Minister said he had heard nothing to indicate that they were not in favour of Canada providing the aircraft, although they had not been so emphatic about it as had United States authorities.

3. Mr. Pearson explained that what the Prime Minister had meant was that Canada was not prepared, in present circumstances, to make a unilateral provision of jet aircraft to Israel. The Canadian government might, however, be ready to participate now in some collective arrangement for supplying interceptor aircraft, if the United States would do likewise. The United States and Canada for example might each provide 12 F-86s, which could make up a full squadron; Italy might also release some jets and other countries might offer different forms of defensive military equipment.

4. Mr. Comay said that this response to the Israeli request would cause disappointment to his government and he hoped it was not the last word. The Minister replied that it was not perhaps a "final" last word. The situation would have to be examined in the light of the reply from the United States. Until that was known, however, it would have to be considered the last word.

5. The Israeli Ambassador observed that if the Prime Minister, when he referred to collective action, meant action to provide Israel with a variety of defensive military equipment, of which F-86s would be a part, then the conditions he required already existed because Israel had acquired a considerable amount of defensive material from Western countries such as Italy, Belgium, Holland, Switzerland and the United Kingdom, as well as obtaining a certain amount from the United States. Mr. Pearson said he wished to make it clear that the Prime Minister's references to collective action were related specifically to jet interceptor aircraft. The Prime Minister did not intend to place obstacles in the way of the Israeli government's getting defensive equipment where it could. The difficulty for us about the F-86s was that their provision would be a spectacular gesture.

6. Mr. Comay pointed out it was not correct to say that Canada, if it provided jets, would be taking the lead in this matter. France had already done this by releasing Mystères. There were only three sources of supply open to Israel, namely the United States, France and

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[77] Voir Canada, Chambre des Communes, *Débats*, 1956, volume VI, pp. 6070-6071.
See Canada, House of Commons, *Debates*, 1956, Volume VI, pp. 5860-5861.

Canada. Mr. Pearson mentioned Italy as a possible source. Mr. Comay said he would regard Italian F-86s in the same category as American aircraft, since United States approval for their export to Italy would be necessary. He also observed that Italian F-86s were not as good as their Canadian counterparts, which had the Oranda engine. He stated that the French were unwilling to provide more jets for Israel alone but that they might release additional Mystères if Canada sold F-86s to Israel.

7. Mr. Pearson promised to get in touch with the Israeli Ambassador and inform him as soon as we knew the United States response to the collective action proposal. Mr. Comay thanked him, observing that the heat would now be on Mr. Dulles.

8. The Minister expressed the hope that there would not be any publicity about the new trend of discussion with the United States. The Government was anxious that it should not be presented publicly as a Canadian initiative.

9. In conversation after leaving the Minister's office the Israeli Ambassador said that he had been talking in Washington with Mr. Eban, who had just returned from consultation in Israel with the new Foreign Minister. Mr. Eban had reported that the atmosphere in Israel was sober and not excited. The Cabinet was still giving top priority to the necessity for jet interceptor aircraft. Almost as urgent, in the Israeli Government's view, was a deficiency in heavy tanks and modern anti-tank weapons, in order to off-set a decisive Egyptian superiority in heavy tanks. The Egyptians had considerable numbers of Centurion and Stalin tanks, which could not be matched by the Israelis and which were a serious threat, in view of the terrain and short distances involved.

P.G.R. CAMPBELL

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53. DEA/50000-B-40

L'ambassadeur des États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador of United States
to Secretary of State for External Affairs

TOP SECRET

Ottawa, July 25, 1956

Dear Mike [Pearson]:

With reference to our recent talks[78] concerning the furnishing of arms to Israel, I can inform you for the personal and confidential information of the Prime Minister and yourself that the United States Government is planning an announcement which would refer to the April 9 White House statements[79] regarding the serious situation in the Middle East and go on to say that arrangements have been completed to maintain in close proximity to the Middle East area certain stockpiles of military supplies and equipment earmarked for delivery to any nation subjected to aggression arising out of the Arab-Israeli dispute in violation of the principles of the United Nations Charter. No decision has been reached regarding the time of issuance of such a statement but the first part of August is being considered. Hammarskjöld's report on his present trip to the Middle East would be taken into account in this connection. Incidentally, Hammarskjöld has been informed of the general lines of this proposal and has welcomed it.

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[78] On n'a pas retrouvé de compte rendu canadien des discussions entre Pearson et Merchant. Selon des documents américains publiés, ils se sont rencontrés le 19 juillet et le 23 juillet. Voir *Foreign Relations of the United States, 1955-57*, Volume XV, pp. 874-875 et 880-881.
A Canadian record of the talks between Pearson and Merchant was not located. Published U.S. records indicate that they met on July 19 and July 23. See *Foreign Relations of the United States, 1955-57*, Volume XV, pp. 874-875 and 880-881.

[79] Voir/See United States, Department of State, *Bulletin*, Volume XXXIV, No. 878, April 23, 1956, p. 668.

If the Canadian Government could see its way to releasing to Israel 12 F-86's, the United States Government would be prepared to approve the export from the United States of certain quantities of helicopters, machine guns and scout cars. These items, however, would not be released simultaneously and the United States would make a strong effort to prevent publicity at this time. However, the United States would keep you informed as licenses were issued.

The Department of State would welcome the opportunity of discussing these matters confidentially in Washington with a representative of the Department of External Affairs. Among aspects which could be usefully discussed would be means of employing these transactions as incentives to induce Israeli's full co-operation with the UN and the UNTSO, as well as questions of timing.

I know you also recognize the necessity of avoiding the sudden public disclosure of a series of moves involving major shipments to Israel by the Western powers. Accordingly, we think our programs should be carefully spaced out with every effort directed toward avoiding premature public knowledge.

Sincerely yours,
LIVINGSTON T. MERCHANT

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54. DEA/50000-B-40

Note de la Direction du Commonwealth et du Moyen-Orient pour le sous-secrétaire d'État aux Affaires extérieures[80]

Memorandum from Commonwealth and Middle East Division to Under-Secretary of State for External Affairs[82]

SECRET [Ottawa], July 27, 1956

ISRAEL'S APPLICATION FOR JET INTERCEPTOR AIRCRAFT

At the Minister's request the U.S. Ambassador called to see him at noon today. Mr. Pearson told him that, following consideration of the matter by the Cabinet,[81] he could now give the Ambassador a reply to his letter of July 25 regarding collective action to provide Israel with defensive military equipment. The Minister said that Canada would not wish to take action, which would have to be made public, before the United States had done so. Putting it more positively, if the United States would issue export licences for not less than two of the items mentioned in the Ambassador's letter of July 25, e.g. helicopters and scout-cars, the Canadian government would release to Israel 12 F-86 aircraft and public announcement would be made in Canada of this transaction. Mr. Pearson emphasized that the Canadian Prime Minister would wish to state publicly what the United States had done, that is he would refer to the fact that the United States had given permits for the export of the helicopters and scout-cars. He understood that the United States in any case planned to make a public announcement regarding the stockpiling of certain military supplies and equipment in close proximity to the Middle East area. The Prime Minister would also probably mention that other Western countries had provided defensive military equipment to Israel.

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[80] Note marginale :/Marginal Note:
Mr. Watkins: The Under-Secretary & the Minister have seen this [memorandum]. P.G.R. C[ampbell]

[81] Le Cabinet s'est penché sur la question à ses réunions du 27 juillet.
Cabinet considered the matter at its meetings on July 27.

2. The United States Ambassador replied that President Eisenhower would not wish publicity to be given to the granting of export permits to Israel for such items as the helicopters and scout-cars. Mr. Pearson repeated that it would be necessary for the Canadian Prime Minister to make public statements along the lines he had indicated. He presumed that, even if the United States Government would not make public announcements coincident with the granting of export licences for the helicopters and scout-cars for Israel, nevertheless it would not be possible to keep the matter from public knowledge once the permits had been issued. The facts would become known either through the Israelis or in some other manner. Mr. Merchant agreed.

3. The Minister went on to say that, if other defensive military equipment were made available to Israel by the United States or other Western countries, the Canadian government might subsequently release another 12 F-86 aircraft to Israel, perhaps some 6 or 12 weeks later. He told the Ambassador about the indications we had received from the French, that they might supply an additional 12 Mystères to Israel if Canada were to release 12 F-86 aircraft.

14. The United States Ambassador said he would at once convey to his government the information which had been given to him by Mr. Pearson. The Minister said that he proposed to advise the Israeli Ambassador immediately of the Canadian views in this matter in the same terms as they had been given to Mr. Merchant.

P.G.R. CAMPBELL

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55. DEA/50000-B-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM K-1167 Ottawa, July 28, 1956

SECRET. IMPORTANT TO ALL MISSIONS.
Reference: My telegram K-1164 July 27/56.†
Repeat London, Paris, Cairo, Beirut, Tel Aviv (Information)

ISRAEL'S APPLICATION FOR JET INTERCEPTORS

When Merchant called on me this morning about the Suez matter, he told me that his government while appreciating our suggestion regarding co-operative action in regard to arms for Israel did not feel that in view of the tense situation brought about by Nasser's action re the Suez, they could agree to release even helicopters or scout cars at this time. They would now wish to wait and see how things developed as, they hoped, we would. They felt that any help to Israel at this particular moment might have the wrong effect, encouraging the extremists in both Israel and Egypt. They would, however, have another look at the situation in a few days.

2. I told Merchant that we would on our part not take any action regarding the F-86's without further consideration or until they had decided to accept our earlier proposal.

L.B. PEARSON

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56. DEA/50000-B-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, July 31, 1956

RELEASE OF ARMS TO ISRAEL

The United States Ambassador called this morning to report that the State Department position on the release of arms to Israel remained as follows: *they agreed in principle to the sequence proposed by the Canadian Government but in view of the Suez Canal situation would not wish to have any announcement appear for the time being, as they would not wish a decision to release arms to Israel to be interpreted as retaliatory action against Nasser for his expropriation of the Suez Canal.*

2. I suggested that the decision of the French, as reported to me by the French Chargé, to supply an additional 24 Mystères to Israel, probably to be designated as part of the communal effort to meet Israel's defence needs, might make it necessary to consider whether some ceiling on the supply of arms to Israel should not be agreed upon. Mr. Watkins thought that we had had a telegram from Paris stating that at the meetings in London, the French had agreed to go along with the United States and the United Kingdom in delaying further deliveries of arms to Israel in present circumstances.

3. (According to telegram no. 547 of July 30† from Paris, Crouy of the Foreign Office, on learning the Canadian position, stated that in deference to United Kingdom and United States views, which the French accept in order to preserve the unity of the Western position, they have agreed to withhold for the time being any decision on the supply of additional aircraft or other armaments to Israel. They would reexamine this aspect of the Middle East situation once agreement had been reached on the Suez plan being worked out in London.)

4. Mr. Merchant had got in touch with the State Department and found that the position remained as described above. It appeared that Mr. Eban's interpretation of his conversation with Mr. George Allen, as reported to me late yesterday afternoon by Mr. Comay, was mistaken.

5. Mr. Merchant was concerned about the Suez Canal situation, but emphasized that, although the nationalization was illegal and generally reprehensible, it was of much less immediate importance, in the view of the United States Government, than the matter of keeping the Canal open for international traffic. I mentioned that the Belgian Ambassador, Mr. Eeman, who knows the Middle East well, had told me that he was sure that the Egyptians were incapable of operating the Canal themselves without the assistance of the highly qualified foreign technicians now employed there. A mistake in the elaborate operation could easily result in an accident which would close the Canal to traffic for a long time. On the other hand, no one would wish to demand that the foreigners continue to work for Nasser against their will. It seemed to me, however, that the suggestion for an international

conference to discuss the situation was hopeful. Mr. Merchant agreed but said that the Americans were worried only that it should not be called before there had been time for adequate preparations; it was a complicated business with need for careful thought and drafting. He thought then that Mr. Dulles did not intend to go to London but has since telephoned to say that he is flying this afternoon.

6. As you know, Mr. Comay wished to see you this afternoon; he dropped in to see me instead. The purpose of his visit was to find out the conclusion reached by Cabinet on the export of arms. I told him that I was not in a position to let him know since I had not seen you after Cabinet this afternoon. He then referred to David McIntosh's article in the *Gazette*[82] this morning linking the seizure of the Suez Canal with the supply of arms to Israel, and asked whether there was any truth in this. I then referred to my conversation with Mr. Merchant and read to him the underlined part of paragraph 1 of this memorandum. I also referred to the decision taken by the French referred to in paragraph 3. Mr. Comay said that it was ironical indeed that as a result of the provocative attitude adopted by Nasser, the Israelis would now be prevented from receiving jet interceptors. He went on to say that if the Western powers continued to link the sale of arms to Israel with a settlement of the Suez Canal issue, there was little hope that his country would be provided with interceptors for a fairly lengthy period. In his view the negotiations will be long and difficult, and the West will not wish to indispose Nasser at least during those negotiations. I told him that his argument was quite forceful but that it should be related to the wider issues of peace and war in the Middle East. As I saw it, the problem was whether Israel would be better off if it received now two or three dozen jet aircraft and thus had to face a more irresponsible Nasser than the one we already knew, or, to do without the planes in the hope that a conference on the Suez Canal might lead to some pacification.

7. Mr. Comay is to call me tomorrow morning to find out what decision, if any, has been taken by Cabinet.

J. L[ÉGER]

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[82] Voir/See *Montreal Gazette*, July 31, 1956, 'Canada Problem Tougher'.

57. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], July 31, 1956

Present

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).

The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

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EXPORT OF AIRCRAFT TO ISRAEL; SUEZ CANAL SITUATION (PREVIOUS REFERENCE JULY 27)

14. *The Secretary of State for External Affairs* said that on further consultation with the U.S. government, their first reaction had been to accept the proposal that Canada would send 12 F-86's immediately to Israel and 12 others two months later, provided that the U.S. would announce their plans to maintain stockpiles of military supplies and equipment close to the Middle East area for delivery to any nation subjected to aggression. The U.S. government would have authorized the Canadian government to make public that the U.S. had issued permits to export to Israel certain quantities of at least two of the three following items: helicopters, machine guns, or scout cars. However, as a result of the action taken by Egypt in assuming control over the Suez Canal, the U.S. government had decided to defer arms shipments to Israel until a settlement had been found to the dispute arising from this move. The U.S. had advised the Canadian and French governments to adopt the same attitude.

The situation with respect to the Suez Canal was still confused. Talks between the U.S., the U.K. and France now taking place in London would probably result in a proposal to establish an international control board, under the auspices of the United Nations, to ensure the unrestricted passage of ships through the canal. Representatives of the three governments were still discussing the details of that proposal. Reports indicated that the U.K. intended to suggest, as a next step, that this project be considered at a meeting of countries most immediately concerned with the control over the Suez Canal but excluding the U.S.S.R. and Egypt. Such a suggestion did not seem to be very realistic.

15. *During the discussion* it was pointed out that Sir Anthony Eden had written a letter[83] to the Prime Minister showing grave concern over the situation created by Egypt's decision to nationalize the Suez Canal Company, and expressing the intention of the U.K. government to take firm action in order to protect British interests in the area. In his reply,[84] the Prime Minister had indicated that the views already expressed to the U.K. government by Mr. Robertson were a reflection of the Canadian government's attitude on this matter, and that he fully shared Sir Anthony's great concern over Egypt's action.

16. *The Cabinet* noted the report of the Secretary of State for External Affairs on the export of aircraft to Israel, and deferred decision pending further consideration of the situation arising out of Egypt's move to assume control over the Suez Canal.

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58. DEA/50000-B-40

L'ambassadeur d'Israël
au secrétaire d'État aux Affaires extérieures

Ambassador of Israel
to Secretary of State for External Affairs

PERSONAL & CONFIDENTIAL [Ottawa], August 7, 1956

Dear Mr. Pearson,

I felt heartened by your statement in the House last Wednesday night about our F.86 request,[85] when you expressed the hope that a decision might be announced within a few days. Almost a week has since gone by and in the absence of news, I am becoming increasingly perturbed lest the "relationship" of which you spoke may develop between our request and the Suez crisis. With your permission, I would like in this personal note to suggest some reasons why it would be in all our interests if this matter could now be disposed of, without more delay:

(a) The current events have shown an inflamed Arab nationalism on the rampage in our area, with Israel's safety very much involved. As I wrote to you on 27 July, "the implication is that we must more than ever concern ourselves with the urgent task of putting our defences in order and, in particular, must create an effective deterrent to any sudden air strike."

(b) Our request arose out of Colonel Nasser's Soviet arms deals, and it would be anomalous if it were held up now because he had seized the Canal.

(c) In the context of the general crisis the decision in Ottawa would attract less attention than before, and would more quickly recede into the background of events. On the other hand an announcement now delayed may become more awkward as the situation develops.

(d) I understand that the American Government has undertaken to release certain of the items we have ordered, and that these releases, together with what has been done by other Powers, would be accepted as meeting Canada's stipulations. Could these undertakings not now be regarded as in themselves the basis for a decision? If it were stated in general terms that in the consultations with "other governments", the "collective principle" had been met, surely such a statement would not require to be spelt out? These transactions would after all be between Israel and the other governments concerned, and Canada would not be directly a party to them.

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[83] Voir/See Document 75.

[84] Voir/See Document 80.

[85] Voir Canada, Chambre des Communes, *Débats*, 1956, volume VII, p. 7069.
See Canada, House of Commons, *Debates*, 1956, Volume VII, p. 6831.

(e) However, if it was felt that decisions of this kind should not yet be made public, because of the Suez crisis, could the mind of the Israel Government not be set at rest in the meantime, by confidentially communicating the decision to it?

You have all along shown such awareness of the moral and psychological aspects of this matter, that you will readily appreciate how heavily fresh suspense and uncertainty press upon us, in an ominous situation.

Sincerely yours,
MICHAEL COMAY

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59. DEA/50000-B-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le chef de la Direction du Commonwealth et du Moyen-Orient

Memorandum from Deputy Under-Secretary of State for External Affairs to Head, Commonwealth and Middle East Division

CONFIDENTIAL [Ottawa], August 9, 1956

F-86'S FOR ISRAEL

I saw the Israeli Ambassador for half an hour today. He had little to add to the arguments contained in his letter to the Minister of August 7.

His main pre-occupation was, of course, that authority to export F-86's should be given as soon as possible. I told him that because of the desirability of not mixing up the questions of arms for Israel and the Suez dispute, the Government had found it necessary to defer making a decision. I could not predict how long a period of deferment would be considered necessary but it seemed to me unlikely that Ministers would want to make an announcement before the opening of the Suez Conference on August 16. Mr.Comay naturally argued in favour of the shortest possible delay contending that the Conference and its aftermath would drag on for a long time during which it would be more difficult than ever for the Canadian Government to announce a decision. In his view, it would be much simpler to get the F-86 issue out of the way before the Suez Conference began.

As a final point, Mr. Comay enquired whether, as suggested in paragraph (e) of his letter, if we could not make public a decision to export, we could not communicate a favourable decision confidentially to the Government of Israel. I said that we would of course consider this suggestion but I thought that Ministers would almost certainly prefer not to give a confidential assurance that could not be made known to Parliament and the public.

Mr. Comay did not raise, nor did I, the question of Export Credits Insurance. Trade and Commerce had recently been bombarded with high pressure requests for insurance under the Export Credits Insurance Act which is an entirely new feature of this already complicated problem. This may be just a try-on by the Israelis which they will not pursue when they realize how many difficulties it presents to the Canadian Government.

R.M. M[ACDONNELL]

60. DEA/50000-B-40

L'ambassadeur des États-Unis au sous-secrétaire d'État aux Affaires extérieures

Ambassador of United States to Under-Secretary of State for External Affairs

TOP SECRET Ottawa, August 16, 1956

Dear Jules [Léger]:

This will confirm for the personal and confidential use of the Cabinet and yourself the information given you orally yesterday regarding the decision of the United States Government to approve the purchase in the United States by Israel of five helicopters, 50 halftracks and 200 machine guns. This approval is contingent on the specific condition that the Israel authorities will agree to make every effort to prevent any publicity whatever concerning these sales and that neither France nor Canada will use in any public manner these sales as a justification for the sale of arms by Canada or France. The United States Government realizes that in all probability this action will not be regarded by Canada as a sufficient basis for the sale of F-86s. The United States, however, does not at this time wish to have its action serve as the basis for a decision by other governments to sell arms to Israel because of serious concern over the Suez situation.

The United States plans to proceed with the sales indicated above without tying them in with action by France or Canada. Helicopters are in short supply and actual delivery may be delayed, but Israel will be able to place orders now. Twenty-five halftracks are immediately available but the balance will also be delayed. One hundred machine guns are available for prompt shipment.

A further problem exists with regard to the training of Israeli pilots. If Israel is attacked, it is most likely that the planes which could be furnished Israel from Europe would be F-86s which would be of little value unless Israeli pilots have had training in this type of plane. The United States is looking into the possibilities of training overseas and believes that if Canada decides against the sale of 24 planes, Israel may try to obtain two or three from Canada for training purposes.

Sincerely yours,
LIVINGSTON T. MERCHANT

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61. DEA/50000-B-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

TOP SECRET Ottawa, August 20, 1956

SALE OF MILITARY EQUIPMENT TO ISRAEL

Mr. Tyler Thompson of the United States Embassy came in to see me this morning about the release of F-86's to Israel. He had just received a telegram from Washington, part of which read as follows:

"Before we carry out our decision permitting Israelis to obtain five helicopters, fifty half-tracks and two hundred machine guns here, we need to be clear there is full understanding between the United States and Canadian Governments that if our action becomes known publicly despite our efforts to keep it quiet, the Canadian Government will not cite our action as justification for any decision it may reach re sale of F-86's."

2. The reason given for this approach was that the State Department wished to take all possible precautions to prevent that the release of such military equipment to Israel be linked up in any way to the problem of Suez.

3. I asked Tyler Thompson if I should infer that the United States would not release this equipment to Israel until they had received an assurance from the Canadian Government that "the Canadian Government will not cite our (U.S.) action as justification for any decision it may reach re sale of F-86's". In other words, that the onus for the release of United States equipment was now with the Canadian Government. He replied that such was his understanding.

4. I then made the following points:

(a) There will be no opportunity to consider this problem until you have returned on August 26. If the matter has to be considered by Cabinet it may be further delayed.

(b) It is most unlikely that the release by the United States could be kept secret for long. The moment the press got wind of it the State Department would have to confirm this release. Would it then be possible for the Canadian authorities to use this confirmation as a basis for a decision on the F-86's. Mr. Thompson didn't know the answer.

(c) The moment this information became public it would be impossible to prevent speculation on the relationship of such a release to the Suez crisis, particularly if the negotiations now going on in London were inconclusive. The question therefore was whether it was worth while to release such equipment at this time and thus add fuel to an already most inflammable situation or delay a decision for sometime in the hope that a compromise solution will have been reached on Suez.

5. I told Mr. Thompson that we would be getting in touch with him once the matter had been discussed further after your return.

J. L[ÉGER]

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62. DEA/50000-B-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET [Ottawa], August 20, 1956

F-86'S FOR ISRAEL[86]

The Israel Ambassador called this afternoon to report a change in the United States attitude on the release of arms for Israel as he understood it from a rather guarded telephone conversation with the Israeli Ambassador in Washington, Mr. Eban, who had discussed the matter with some senior official in the State Department, he thought Mr. Murphy.

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[86] Note marginale :/Marginal Note:
Suez
PM statement. [L.B. Pearson]

2. Mr. Comay's understanding of the U.S. position coincided with what Mr. Tyler Thompson had told me in the morning (see my memorandum of August 20) except that Mr. Comay did not know (and of course I could not tell him) that the Americans did not propose to release the arms without an undertaking by the Canadian Government not to make any reference to the American release,[87] even if news of it leaked to the press, in justification of the Canadian Government's release of F-86's. Indeed, Mr. Comay said that he expected soon to be able to inform us that the United States licences had been issued.

3. Mr. Comay said that the Israeli Government would be glad to agree not to give the matter any publicity, although it would undoubtedly be very reassuring to the Israeli public to know that such assistance was promised, and he could almost guarantee that there would be no leak in Israel. I pointed out to Mr. Comay, as I had to Mr. Thompson, that once the shipment of hardware of this started it could hardly fail to be spotted by the press. The State Department would then be asked and forced to admit that licences had been issued. Mr. Comay agreed that it would be extremely difficult to preserve secrecy but suggested that although the licences might be granted now actual shipment might be delayed for a couple of months by which time the danger of associating the question of arms for Israel with the Suez problem might have evaporated.

4. For what he described as purely practical considerations, mainly financial and technical, Mr. Comay urged strongly that if a decision were reached to release F-86's for Israel, the whole 24 should be released at once instead of in two stages of 12 each at an interval of six weeks or so. The financing and shipping were complicated operations and it would be more expeditious if arrangements could be made for all 24 at one time. Mr. Comay had gone into these matters in some detail with officials of the Canadair Company and on the priority question with Mr. Howe, who had thought that delivery could start in November and be completed by February.

5. I explained to Mr. Comay that as matters now stood another reference to Cabinet would be required in any case. There was a possibility of a Cabinet meeting next week, if a quorum could be obtained. If not, there would certainly be a Cabinet meeting the week following. Mr. Comay said that he was expecting a written communication from Mr. Eban providing fuller information than he had been able to give over the telephone and promised to let us know of any further developments which might be of assistance in preparing a submission to Cabinet.[88]

J. L[ÉGER]

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[87] Note marginale :/Marginal Note:

We could give such an assurance but only until such a time as the leak was confirmed as accurate by the State Dep[artmen]t. [L.B. Pearson]

[88] Note marginale :/Marginal Note:

We should ask the Egyptian Amb[assador] if any truth in rumour of extra arms shipments from communist countries recently. [L.B. Pearson]

63. DEA/50000-B-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET [Ottawa], August 24, 1956

F-86'S

The Israeli Ambassador called this morning to report new developments in the matter of the sale of arms to Israel.

2. According to his information, the United States had issued licenses for the sale of certain items, those, he supposed, earlier specified. The Israeli Military Attaché, Col. Solomon, was at present discussing the details with the U.S. Military, who had been given the green light by the State Department. The understanding was still that there would be no publicity either from the U.S. or Israeli Government.

3. The British had released certain arms shipments to Israel which had been temporarily frozen. Apparently the decision to do so had been reached while the London Conference on the Suez Canal was in progress.

4. Mr. Comay understood that the French (although he could not be so definite about this as about the U.S. and U.K. developments) had now decided to go ahead with the release of the 24 Mystères which they had been on the point of releasing when the Suez crisis induced a delay. Mr. Comay had wired for confirmation of this information and promised to let us know when he had a reply.

5. The Israeli Government hoped that in view of this information the Canadian Government might very soon decide that the sale of the F-86's to Israel, already approved in principle, but held in suspense, could now be agreed upon, whether it was considered advisable to make an announcement now or later.

6. In the timing of the announcement, as he had stated in a letter to you some time ago, the Israeli Government could adapt itself to the wishes of the Canadian Government, but would like to be informed in advance when a decision was reached.

7. I observed that the chief new element in the situation was the issuing of licences by the Americans. That, together with the British action and the probable French action, appeared to meet the Canadian Government's desire that the release of F-86's should be part of a collective effort, except that the U.S. had not agreed to the Canadian condition that its decision should be made public. I could not myself see how publicity could be avoided. Mr. Comay thought that this was a matter on which a compromise could probably be worked out between the Canadians and the Americans and in which the Israelis were not directly concerned. It seemed to him that a Canadian announcement could be drafted in some way that would get around the difficulty (for example, that "as a result of consultations with other governments, the Canadian Government has decided, etc"), and not force Mr. Dulles to place Mr. Loy Henderson in too uncomfortable a position in Cairo.

8. Mr. Comay returned again to the point he had made in his last call about the desirability of reaching a decision on the release of all 24 F-86's, even if the actual shipment of 12 were to be further delayed. With the two-stage operation it would be necessary to make the decision all over again in six weeks or so. As a matter of fact, more than six weeks had now elapsed since the suggestion for a two-stage operation had been made. But, what was

more important, the practical arrangements for delivery and shipment would be further complicated, as he had already noted. He said that he would write me a letter on this aspect of the matter.

9. I told Mr. Comay that I would bring these new developments to your attention and see what we could do. He said that he would like to see you as soon as possible after your return, as he was anxious for his own sake to be able to wire his Government that he was pursuing the matter at all possible levels.

J. L[ÉGER]

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64. DEA/50372-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

TOP SECRET [Ottawa], August 24, 1956

THE SUEZ CANAL DISPUTE AND THE RELEASE OF F.86'S TO ISRAEL

In view of the possibility that the question of the release of F.86's to Israel may be raised in Cabinet at its meeting on August 29, I have endeavoured to set out below some of the implications of the recent shift in the viewpoint of the U.S. Administration regarding the release of military equipment to Israel.

As you will have learned from my memorandum of August 16† to you in Toronto, Mr. Tyler Thompson handed me on August 15 a letter from the United States Ambassador which informed us of the decision of the United States Government to approve the purchase in the United States by Israel of five helicopters, 50 half tracks and 200 machine guns. This approval was contingent on the specific condition that the Israel authorities would agree to make every effort to prevent any publicity whatsoever concerning these sales, and that neither France nor Canada would use in any public manner these sales as a justification for the sale of arms by Canada or France. Mr. Merchant's letter went on to say that the United States Government realised that in all probability we would not regard this action as a sufficient basis for the sale of F.86's but that the United States did not at this time wish to have its action serve as the basis for a decision by other governments to sell arms to Israel because of its serious concern over the Suez situation.

As you know Cabinet on July 12 concluded that while no release of F.86's would be made by Canada alone the possibility of our releasing the aircraft within the framework of a collective western decision might be examined and that the views of Mr. Dulles might be sought. On July 28 the United States Ambassador informed you that his Government did not feel that in view of the tense situation created by Nasser's action in respect of the Canal they could now agree to release the helicopters and half tracks to Israel. In reply you informed Mr. Merchant that we would not on our part take any action regarding the F.86's without further consideration, or until the Americans decided to accept our earlier proposal regarding co-operative action. On July 31 Cabinet agreed to defer decision pending further consideration of the situation arising out of Egypt's move to assume control over the Suez Canal. This is the present position with regard to Cabinet decisions.

The reason behind the original United States recommendation conveyed to you by Mr. Merchant on July 28, and which was concurred in by the other two major western powers, was a concern lest a decision to release military weapons, even of a defensive nature, to Israel at the time of the Suez crisis might give the appearance that the West was arming Israel in order to use her as a brake on Nasser's ambitions and that this would further inflame Egyptian and Arab opinion generally and reduce the possibility of the successful outcome of the London Conference. Mr. Robertson also informed us that the United Kingdom authorities had requested us to treat as being "in abeyance" their earlier views regarding a possible collective western decision to arm Israel. The view of the three major western powers that the Suez crisis and the Arab-Israel dispute must be kept separate found further support with the Government of Pakistan, whose Foreign Secretary transmitted a personal message† to you to this effect through Mr. Scott on July 31.

The United States decision to modify its attitude on the release of arms to Israel may have been prompted in part by purely domestic considerations. On August 15, at the Democratic National Convention in Chicago, a plank was adopted whereby the Party, if returned to power, would undertake to supply defensive weapons to Israel to "correct the imbalance" of arms shipments to the Middle East. It is not impossible that the decision of the Administration to reverse its earlier stand on the export of the helicopters and half tracks to Israel may have been prompted by a wish to cut the political ground from under the feet of the Democrats and it is open to question whether such considerations would have the same validity for Canada.

When Mr. Thompson called to see me I told him that I thought that there was little likelihood that the decision to approve the export of helicopters, half tracks and machine guns would remain secret, and we should therefore realise that one of the conditions set by the United States Administration would not be met. On August 20 Mr. Thompson presented to me a refinement of Mr. Merchant's Note of August 16. He said that the State Department's position now was that they would not agree to release the helicopters, etc., to Israel unless they had our assurance that we would not make any reference to the United States decision as having influenced our own decision in the matter. Neither of these proposals meets the conditions laid down by you in your conversation of July 27 with the United States Ambassador in which you informed Mr. Merchant that "the Canadian Prime Minister would wish to state publicly that the United States had given permits for the export of helicopters and scout cars". Taken together the two communications from the United States Embassy could be interpreted as inviting us either to "go it alone" or even to decline to release the jets at this time.

These somewhat complicated proposals immediately became known to the Israeli Embassy in Washington and Mr. Comay has called on us a number of times and Mr. Eban has called twice on Mr. Heeney to urge that we now reconsider the release of the F.86's. It has been the impression of the Israeli Ambassadors both in Washington and in Ottawa (as outlined to you in my memorandum dated August 20) that they would be able soon to inform us that the United States export licences had in fact been issued. Indeed on the occasion of his most recent visit to me on August 24 Mr. Comay said that not only had the United States agreed to issue export licences (this has been confirmed by Mr. Merchant) but that, according to the Israeli Embassies in both London and Paris the British had also relaxed their ban on the export of arms to Israel and the French were likely to do so. We have asked our missions in Washington and London for comment. This has now been confirmed by Mr. Heeney.

Mr. Comay has said that the Israeli Government would be glad to agree not to give the United States decision any publicity although it would undoubtedly be very reassuring to the Israeli public to know that such assistance was promised. On the other hand he has agreed that it would be extremely difficult to preserve secrecy. He has suggested that although the licences for the F.86's might be granted now, actual shipment might be delayed for a couple of months by which time the danger of associating the question of arms for Israel with the Suez problem might have evaporated. Mr. Comay has also urged strongly that if a decision were reached to release F.86's for Israel the whole 24 originally requested should be released at once instead of in two stages of twelve each at an interval of six weeks or so.

On each occasion that Mr. Eban has seen Mr. Heeney, or that Mr. Comay has seen me, he has been told that as matters now stand another reference to Cabinet will in any case be required. At the same time we have been informed by our Embassy in Paris that the Israeli Embassy there is getting a lot of information about the discussions in both Washington and Ottawa on the possible purchase of F.86's from Canada. We have informed our Embassy in Paris that it has not been possible for us to keep them up to date on all the recent comings and goings on the subject, that the Canadian position must be regarded as unsettled, that it would probably be best for them to say nothing to the French at this stage, but that we hope to be able to let them know of any developments in discussions here next week following your return.

Should it now be regarded as appropriate in the light of the United States decision that we carry out our part of the understanding reached with them, you may agree that the most careful consideration should be given to the timing of any decision to release the F.86's. Since we must, I think, assume that the United States decision will become public very soon, we must also expect that it would have the following effects:

(a) It would further inflame Arab opinion and increase Arab truculence by injecting into the Suez dispute the factor most likely to cause the Egyptians to act irrationally;

(b) It may prejudice the Egyptian view of the visit to Cairo of the five-power delegation headed by Mr. Menzies bringing with it the eighteen-power statement of views which emerged from the London Conference. The delegation will seek Egyptian agreement to treat this statement of views as a basis for further negotiation. At a time when the threat of the use of force seems to be receding, that threat would then reappear — at least to the Arabs and especially to Nasser — in another guise. The U.S.S.R. could and probably would say that it was idle to negotiate with the West when it was arming Israel and the fact that these were defensive arms designed to correct an imbalance would be lost sight of;

(c) A decision to export F.86's to Israel would mean that Canada would lose in the eyes of the Arab world its reputation for impartiality, often remarked upon by the Egyptians and Lebanese here in Ottawa. It would be of little avail to equate Harvards for Egypt with F.86's for Israel as evidence of impartiality. A subsidiary effect would be loss of confidence by the Arabs in General Burns and in the undermining of his position.

(d) Any decision to release the F.86's would place Dr. Norman in a most embarrassing and unpleasant position. While this in itself must inevitably be a subsidiary consideration, it would nevertheless be wise to avoid the likelihood that the decision would be made public soon after his first arrival in Cairo, or timed to coincide with the presentation of his credentials. This may now take place some time in the week beginning August 26. No argument that Dr. Norman could make is likely to weigh with Nasser because of the bitter Arab resentment — irrational but present — against the existence of the State of Israel.

There is the additional point that recent JIC appreciations suggest that Israel is at present strong enough, should Nasser become otherwise embroiled, to attack Egypt, Syria and Jordan simultaneously and probably to nip off the Gaza Strip and capture Damascus within twenty-four hours. Any gesture on our part which might suggest to the Egyptians that we were in any way encouraging Israel to do this would be unfortunate.

There are, of course, cogent reasons in favour of releasing the F.86's to Israel. These are summarized in the first five paragraphs of the attached document dated May 14 and entitled "Political Factors Governing a Decision to Export Interceptor Planes to Israel".[89] They are as follows: it is a simple act of justice to enable Israel to defend itself; it is conceivable that the principal danger of fighting arises from a fear psychosis on the part of the Israelis; the United States Administration is anxious that friendly countries should send interceptor aircraft to Israel; much of the opposition to our shipment of arms to Israel arises from general opposition to the supplying of arms on vaguely pacifist grounds; it can be argued that Nasser is engaged in blackmail by threatening that any shipments of jet aircraft from Canada to Israel will be matched by further orders from Czechoslovakia. There is the further point that although the Egyptian Counsellor here denied any knowledge of new arms agreements with Soviet bloc countries, and stated that recent shipments of arms were merely delayed results of the Czechoslovak arms deal of August, 1955, intelligence sources suggest that such new agreements may be in process of negotiation.

On the other hand the arguments against the release of F.86's contained in the memorandum are reinforced by the Suez Canal crisis. They are as follows: Canadian relations with the Arab States would suffer a severe blow; the release would have an adverse effect on the position of General Burns; United Nations officials are opposed to the sale; Israel is regarded by most of the anti-colonial nations of Africa and Asia as something in the nature of an imperialist strong-hold; there is a strong case to be made for the common (and public) acceptance of responsibility by the Western Powers; we should hesitate to supply important defensive arms to one side in a dispute when there may be some prospect of securing an agreement with the U.S.S.R. in the United Nations or elsewhere; the sale of F.86's to Israel may stir up public controversy and arouse an uneasiness in Canada.

For these reasons, I would recommend that consideration be given to delaying any decision to release the F.86's to Israel until Nasser's reaction to the delegation from the London Conference becomes fully apparent, and until any subsequent conference or negotiation which may emerge from the proposals of the eighteen nations has had a chance to run its course and to produce constructive results.

J. L[ÉGER]

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[89] Voir/See Document 41.

65. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], August 29, 1956

Present

The Minister of National Revenue and Acting Prime Minister (Dr. McCann), in the Chair,
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice and Acting Minister of Finance (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General
  and Acting Minister of National Defence (Mr. Lapointe),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Northern Affairs and National Resources (Mr. Lesage).

The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

. . .

EXPORT OF AIRCRAFT TO ISRAEL
(PREVIOUS REFERENCE AUG. 7)

3. *The Secretary of State for External Affairs* recalled that the shipment of 12 F-86's to Israel was on the point of being approved when the Suez Canal dispute occurred. As a result, the decision had been postponed and no action had been taken by ourselves, nor by the United States and France, as to the items they proposed sending to the Israelis. However, the U.S. had now decided to ship some items and had requested the Canadian government, if it decided to do likewise, not to state that Canadian action was related to U.S. plans as they were not proposing to disclose their action. This was quite unrealistic because, as soon as permits were approved, the sales would become public knowledge. Nevertheless, he had told the U.S. authorities Canada would agree to their request. The French were also going to release some Mystères.

He had discussed the matter with the Prime Minister who felt that the decision in principle to release the F-86's should stand but that, for the moment, shipments should not actually be authorized. The matter would, therefore, be kept under study and a recommendation made for release when the time appeared right. If the situation in the Middle East deteriorated, then the decision would have to be reviewed. In response to any questions that might arise in the meantime he proposed to say that the matter was still under consideration.

4. *The Cabinet* noted the report of the Secretary of State for External Affairs on the export of aircraft to Israel and agreed in principle that an Israeli order for 12 F-86's be approved, but that a decision to authorize such shipments be postponed until the time appeared more appropriate.

. . .

66. DEA/50000-A-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM KK32 Ottawa, September 11, 1956

SECRET. IMMEDIATE.
Repeat London, Washington, Paris, Permis NY (Information); Cairo by bag.

F86'S FOR ISRAEL AND SUEZ DISPUTE

Following for the Minister from Macdonnell: Since your interview with Comay just before your departure, he has informed us that he had earlier in the summer reached agreement with Mr. Howe and Mr. Campney on a schedule of deliveries calling for eleven aircraft to be made available in November and the remainder to follow fairly promptly in succeeding months. This had been arranged on the assumption that the decision to proceed would be taken by the end of August. Comay also raised the question of the method of delivery, pointing out that to send the aircraft by ship would be slow and uneconomical since it would involve taking the aircraft apart after testing, crating and shipping them, and re-assembling and re-testing, on arrival in Israel. His Government therefore hoped that the delivery could be made by ferrying the aircraft from Canada. Israel did not have pilots sufficiently experienced in the operation of the F86 to undertake the trans-Atlantic flight, and it therefore hoped that the RCAF could ferry the aircraft to some point in Western Europe (perhaps Rome) where Israeli pilots would pick them up to fly on to Israel.

2. We have learned that the schedule outlined by Comay was in fact agreed with Mr. Howe and Mr. Campney and could still be met even if the decision to release the aircraft were not taken until the end of September. This relatively early release is possible, however, only because the RCAF is not prepared to ferry F86's across the North Atlantic in winter and therefore can defer acceptance of scheduled deliveries intended for use in Europe. Hence the same circumstance which permits relatively early release to Israel at the same time prohibits prompt delivery by ferrying as hoped by Comay. It would appear that from the Israeli point of view the best that can be hoped for is to accept delivery in accordance with the agreed schedule (assuming, of course, that the Canadian Government decides by the end of September to release them) and transfer them to Israel in crates by sea.

3. Had the aircraft been ferried the first ones could have left Canada early in November in accordance with the agreed schedule. Since that is not possible and since they will presumably have to go by ship the precise time at which transfer would begin depends on the number to be crated. We are informed that normal time for dismounting and crating is from two to three weeks but that as a matter of urgency this could be reduced to about a week. If, therefore, the eleven aircraft originally proposed for release in November were to go en masse they could all be out of the plant by December 10. Individual aircraft could probably begin moving piecemeal by about November 10. As soon as crates of F86's leave the Canadair plant destined for Israel the fact may well become known to the public.

4. You will recall that in your comment on a departmental memo dated August 24 just prior to your departure you agreed to the following proposal "for these reasons, I would recommend that consideration be given to delaying any decision involving publicity to

release the F86's to Israel until Nasser's reaction to the delegation from the London conference becomes fully apparent, and until any subsequent conference or negotiation which may emerge from the proposals of the eighteen nations has had a chance to run its course and to produce constructive results."

5. When Comay called at the Department on September 10 he advanced the view that, a decision in principle having been made to release the aircraft, the most propitious moment for a decision on timing had now been reached. The negotiations of the committee of five with the Egyptians had broken down and there were no negotiations presently under way which could be influenced by the sale of aircraft to Israel. This situation would not last long and Comay was apprehensive that the commencement of fresh negotiations would introduce a new element and make it difficult for the Canadian Government to reach a decision on timing. We explained to Comay that you were in Paris and the Prime Minister on a much needed vacation and that it would be difficult to get a decision in Cabinet at this time but that we would discuss the matter with the official concerned.

6. The present intention of the UK and France is to submit the Suez Canal dispute to the Security Council. It is difficult to forecast a precise timetable but it would appear that if the matter goes before the Security Council towards the end of this month it is unlikely in view of the delaying tactics which would probably be used by the USSR, that the debate would be over by the time the shipment of the aircraft was under way. We would therefore face the probability that the shipment of jet aircraft by Canada to Israel would become public at a time when the Suez Canal dispute was still being debated in the Security Council. The question arises as to whether this would prejudice the debate in the Security Council.

7. If our intention is almost certainly to approve the sale of the jets and if it were possible to inform the Israelis that they would have to take delivery of and arrange to ferry over the whole 24 before the Suez dispute goes to the Security Council then perhaps we would be unlikely to find a better moment to act than the present. As Mr. Howe and Mr. Campney are apparently unwilling to contemplate release of even the first batch before November However this would not appear to be a practical possibility.

8. You will recall that you undertook to give Comay a definite answer one way or the other before the end of September. We should be grateful for your instructions as to what, if anything, he should be told prior to your return or, alternatively, whether you wish any discussion with him to be postponed until after your return A consideration which may or may not affect your instructions to us is that by the time you return the Security Council may be already seized of the Suez issue, thus rendering an affirmative decision more difficult. You will have seen that Eban makes this point in his recent letter† to Heeney. It has also been made to us by Comay.

67. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT NO. 182-56 Ottawa, September 19, 1956

SECRET

EXPORT OF F.86 AIRCRAFT TO ISRAEL

1. On June 21, 1956, Cabinet agreed that the possibility be explored of supplying Israel with a limited number of F.86 aircraft as a result of a collective decision carried out under collective arrangements by the United States, United Kingdom and France, and asked the Prime Minister to ascertain the views of the United Kingdom during the Commonwealth Prime Ministers' Meeting in London. On July 12 Cabinet concluded

(a) that no release of F.86's be made by Canada alone;

(b) that the possibility of Canada releasing the aircraft in the framework of a collective western decision be examined and that the views of Mr. Dulles be sought.

2. On July 27 a decision on the release of the aircraft was deferred pending further consultation with the United States Government. On July 31 a decision as to the release of the aircraft was again deferred pending further consideration of the situation arising out of Egypt's move to assume control over the Suez Canal.

3. On August 7 Cabinet noted the report of the Secretary of State for External Affairs regarding the reluctance of the United States to make military supplies available to Israel at this time for fear of the publicity involved.[90] On August 29 Cabinet agreed in principle that an Israeli order for 12 F.86 jet interceptor aircraft be approved, but that a decision to authorize such shipments should be postponed until the time appeared more appropriate.

4. In his telegram No. 1472 of September 12† from Paris Mr. Pearson expresses the view that the present may be a more appropriate time than any which is likely to be reached in the near future. Mr. Pearson's estimate is based on the following considerations:

(1) Information received by him since arriving in London and Paris, and from Washington before leaving, regarding the policy of renewed arms exports to Israel now being followed by United Kingdom, France and the United States;

(2) The likelihood that negotiations over the Suez situation, unless it deteriorates rapidly into the use of force, will be drawn out for a long time;

(3) The measure of success achieved in keeping the Suez situation separate from the Arab-Israeli conflict in large part because of the wise policy of restraint adopted by the Israeli Government.

5. The various decisions by the three major Western Powers to withhold or scale down shipments of arms to Israel pending a solution of the Suez dispute were due to their concern lest the two issues become confused. However, it is now the opinion of the United Kingdom, United States and French Governments that this likelihood has receded.

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[90] Le compte rendu de la discussion du Cabinet du 7 août se trouve dans le document 82.
For the record of the Cabinet discussion of August 7, see Document 82.

6. This view was supported by Mr. Dulles when he said to our Ambassador in Washington on September 11 that even though the Israelis seemed to be adopting a "tougher line" toward Egypt and the Arabs generally, the United States Government would be glad if Canada could find a way to release F.86's to Israel. Mr. Dulles said that he understood Canadian difficulties in the matter, but he thought it might be easier now than it would be later to make the release. With the developments in the Suez Canal the release of F.86's to Israel might at the moment, he thought, attract less attention than in the weeks to come.

7. The United Kingdom also decided last week to release up to ten Meteor trainers to Israel subject to clearance by the Near East Arms Co-ordinating Committee. The Israelis have not so far been informed of this decision.

8. On July 27 the Secretary of State for External Affairs informed the United States Ambassador that the Prime Minister, in making any announcement of a Canadian decision to ship arms to Israel would wish to state that the United States had also given permits for the export of military supplies (helicopters and scout cars). On August 20, however, the United States Government informed us that they would not agree to release this materiel to Israel unless they had our assurance that we would not make any reference to the United States decision as having influenced our own decision in the matter of F.86's.

9. If, however, Cabinet now decides to give a favourable answer to the Israeli request it is recommended that it be accompanied by a press statement. It now appears probable that the tentative agreement between the Israeli Ambassador and the Ministers of Defence Production and of National Defence calling for a schedule of deliveries of eleven aircraft to be made available in November, and the remainder to follow fairly promptly in succeeding months, can still be adhered to. This schedule had been arranged on the assumption that the decision to proceed would be taken by the end of August and that delivery could be made by ferrying the aircraft from Canada by the R.C.A.F. to some point in Western Europe, perhaps Rome, where Israeli pilots would pick them up to fly on to Israel. In spite of the fact that the R.C.A.F. is not prepared to ferry F.86's across the North Atlantic in winter, and that it will therefore be necessary for the aircraft to be crated and shipped by sea, delivery of the first eleven can probably be completed by mid-December. The movement of such materiel to the seaboard would arouse speculation and therefore reinforce the need for a press statement.

10. It is suggested that this statement be drafted along the following lines:

"After full and useful discussion with certain friendly Governments, the Canadian Government has now decided that it would not be justified in refusing the request made some time ago by the Government of Israel for permission to purchase interceptor planes from Canadian production for use in the defence of that country. The Government has been greatly influenced in this decision by the fact that Israel's neighbour has recently received large numbers of jet fighters from the Soviet Union and, even more important, a considerable number of modern jet bombers, of which Israel possesses none.

Assurances have been received from the Government of Israel that the interceptors in question will be used solely for defence against aggression.

This approval of the Israeli request for 24 F.86's covers a period of five months, during which the planes would normally be made available and shipped. If at any time during this period political circumstances should change in a way which would warrant a cancellation or postponement of the outstanding part of this order, such action will be taken."

11. An official statement has already been received from the Israeli Government that any planes released were to be used for defence only. The Israeli Embassy here has undertaken to reaffirm this assurance in writing as and when requested.

12. The political factors (other than those mentioned in Mr. Pearson's telegram) governing a decision to export interceptor planes to Israel may be summarized as follows:

Reasons Favouring Release

(1) It is a simple act of justice to enable Israel to defend itself;

(2) It is conceivable that the principal danger of fighting arises from a fear psychosis on the part of the Israelis;

(3) The United States, United Kingdom and French administrations are anxious that friendly Western countries should send interceptor aircraft to Israel;

(4) Much of the opposition to a shipment of arms to Israel arises from general opposition to the supply of arms on vaguely pacifist grounds;

(5) It can be argued that Nasser is engaged in blackmail by threatening that any shipment of jet aircraft from Canada to Israel may be matched by further orders from the Soviet bloc.

Reasons Against Release

(1) Canada's relations with the Arab States would suffer a severe blow;

(2) The release would have an adverse effect upon the position of General Burns;

(3) United Nations officials are reluctant to see such a sale;

(4) Israel is regarded by most of the anti-colonial nations of Africa and Asia as an "imperialist" stronghold;

(5) The sale of F.86's to Israel may stir up public controversy and arouse uneasiness in Canada.

13. The distinction between the release of jets for Israel and the Suez Canal dispute may not always be clear in the Canadian public mind, partly because of the approach which the Government of Egypt is known to have made to all governments, including Canada, regarding fresh Suez negotiations.[91] A decision to sell jets to Israel might be regarded by the public as Canada's "answer to Nasser".

Recommendations

(1) That a decision be taken now to release twenty-four F.86 jet interceptor aircraft to Israel, deliveries of the first eleven to begin about November 10 and to be completed by about mid-December; the balance to be delivered over a further period of three months. (In his telegram No. 1526 of September 18† from Paris Mr. Pearson makes the alternative suggestion that the decision "be put in the form of four planes to be shipped per month over a period of six months. That would emphasize our control over the suspension or cancellation of deliveries if circumstances warranted it, and might not in actual fact delay very long the receipt by Israel of the 24 which would take some months in any event").

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[91] Le 10 septembre 1956, le gouvernement égyptien a fait circuler auprès de tous les membres des Nations Unies une note dans laquelle il réaffirmait sa volonté de négocier avec les utilisateurs du canal de Suez. La note est reproduite dans *Documents on International Affairs 1956*, London: Royal Institute of International Affairs - Oxford University Press, 1959, pp. 199-201. Dans sa réponse remise le 14 septembre 1956, le Canada a simplement indiqué que «the communiqué is being carefully studied» (voir le dossier DEA 50372-40).

On 10 September 1956, the Egyptian government circulated a note to all members of the United Nations reiterating its willingness to negotiate with users of the Suez Canal. The note is reprinted in *Documents on International Affairs 1956*, London: Royal Institute of International Affairs - Oxford University Press, 1959, pp. 199-201. The Canadian reply, delivered on September 14, 1956, simply observed "that the communiqué is being carefully studied." It is located on DEA/50372-40.

(2) That a press statement to this effect along the lines outlined above be issued after this decision has been taken;

(3) That if at any time during this period political circumstances should change in a way which would warrant a cancellation or postponement of the outstanding part of this order, such action will be taken.[92]

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68. DEA/50000-B-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], October 18, 1956

RELEASE OF SABRE JETS TO ISRAEL AND PROPOSED DELIVERY TO EUROPE BY THE RCAF

Attached is a chronological account of developments on this subject since Cabinet agreed on September 20 to release the aircraft. You will notice that although we conveyed to the Israeli Embassy on September 27 the message† received from A/M Slemon we understood that since discussions were going on between the Israelis and Canadair on the question of delivery, the final decision of the RCAF not to ferry the aircraft would be communicated to the Israel procurement authorities by this channel. In the event the RCAF did not inform Canadair and it has become apparent that A/M Slemon expected us to notify the Israelis.

2. It seems clear that one reason for the confusion which has arisen in this matter has been the multiplicity of channels used by the Israelis in their approaches to the Canadian Government. A result of the several simultaneous channels used in this instance was that all became blocked and everyone assumed that someone else was notifying the appropriate Israeli authorities of the decision which had been taken.

3. In our discussion on October 17 with Mr. Erell two points were emphasized:

(a) The RCAF decision was one which had been reached without reference to and without pressure from governments other than the Canadian Government. The decision against ferrying by the RCAF was an exclusively Canadian decision based on legal and technical considerations.

(b) Although the effect of the decision could be to delay delivery of the first eight aircraft, this decision was in no way influenced by, and was only coincidental with, the recent displays of Israeli strength along the Jordanian border.

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[92] Le 20 septembre 1956, le Cabinet a autorisé l'exportation de 24 avions d'interception F-86 « over a period of months and at a rate to be determined by the departments concerned. It being understood that during this period the outstanding part of the order would be cancelled or postponed if the political circumstances were to change. » La décision du Cabinet a été annoncée le 21 septembre dans un communiqué de presse reproduit dans Canada, Chambre des Communes, *Débats*, 1957, volume 1, p. 1095.

On September 20, 1956 Cabinet agreed to export the 24 F-86s "over a period of months and at a rate to be determined by the departments concerned. It being understood that during this period the outstanding part of the order would be cancelled or postponed if the political circumstances were to change." A press release announcing this decision was released on September 21 and is reprinted in Canada, House of Commons, *Debates*, 1957, Volume 1, p. 1048.

4. Although to date we have not had any written communication with the Israeli Embassy on the subject of ferrying you may consider it appropriate to send Mr. Comay a Note along the lines of the attached draft.† This would put on record the decision which has been reached and the grounds on which it is based and would offer appropriate co-operation of the Canadian Government in facilitating transfer of the aircraft by such means as the Israelis may themselves arrange. It would seem desirable to let the Israeli Embassy have a Note along these lines as soon as possible so that misunderstanding may be kept to a minimum in talks the Israelis will be having with the RCAF. In the concluding paragraphs of this memorandum I am suggesting that thought be given to the question of possible modification of plans for release of aircraft to Israel: it would be very desirable for the question of ferrying to be disposed of quickly if any such action is contemplated.

5. We have just learned that a contract was signed last night between Canadair and the Israeli procurement authorities covering the purchase of twenty-four aircraft, with a subsidiary clause to the effect that sixteen of these would be shipped at the rate of four per month provided the Government grants the necessary export permits. Payment was made for the first eight planes, ownership of which was thereupon transferred to the Israeli Government.

6. Once the immediate question of ferrying has been disposed of I think we shall have to consider whether, in view of the accelerated rhythm of Israeli attacks on the Jordanian border, there should be any change in the planned delivery of the aircraft. The following points are, I believe, relevant:

(1) Since September 12 Israel has begun an openly acknowledged policy of large scale military attacks on Jordan in reprisal for terrorist attacks on individual Israelis or for small scale border incidents. The most serious of the Israeli military attacks occurred on September 12, 14 and 25 and October 11.

(2) After the Mixed Armistice Commission had adopted a resolution condemning Israel for the attack of September 25, Israel withdrew from the Commission and has ceased to co-operate with UNTSO.

(3) Jordan has appealed to the Security Council for early consideration of the situation as a threat to the peace, following the attack of October 11. The Army of Israel, and some elements in the Government, are believed to favour the occupation now of the whole of Palestine as far as the Jordan River, though others are reluctant to acquire half a million new Arab citizens or face the loss of Western support resulting from the deliberate accentuation of the refugee problem.

(4) General Burns, following the refusal of Israel to co-operate with UNTSO, believes that Israel is now seeking an opportunity to demonstrate its military strength even more impressively than in the past.

(5) Jordan has asked the United Kingdom for an assurance of aid against aggression and the United Kingdom has renewed its pledge. At the same time it has agreed to join with France in giving the Israelis adequate assurances so as to minimize the risk of an incident which might set the Middle East afire.

7. On the basis of its performance during the past month it would appear that Israel is on the verge of embarking on a deliberate policy of large scale military retaliation and that if it does so, it will seek fresh opportunities to demonstrate its military strength. It is true that the factors behind the Canadian Government's decision to release the aircraft to Israel — the threatened imbalance of forces in favour of the Arabs and the threatened growth of a preventive war psychology in Israel — are still valid. On the other hand it is questionable to what extent the Israelis are taking to heart the conditions we have placed on release of

the aircraft. The situation now reached may make it necessary for us to consider whether the policy of retaliation recently resumed by Israel — and out of all proportion to provocative incidents — is only a milder variant of preventive war.

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

SECRET

CHRONOLOGICAL SEQUENCE OF EVENTS IN CONNECTION WITH PROPOSED FERRYING OF F-86'S TO ISRAEL

September 20, 1956—Cabinet approved the conditional sale to Israel of 24 Sabres during the following six month period.

Following Cabinet's decision there were a number of informal exchanges between Harrington of Economic Division and W/C Gillespie of A/M Slemon's office on the question of possible ferrying. W/C Gillespie indicated a certain reluctance on the part of the RCAF to undertake this operation, but said that A/M Slemon had not to his knowledge reached any firm decision. Harrington said that we were not pressing the RCAF to undertake the ferrying operation (and mentioned some of the obvious problems such as ownership of the aircraft when en route and difficulties that would arise if a plane crashed killing an RCAF pilot).

September 25, 1956—It was learned from the RCAF that Colonel Katriel Solomon would be seeing A/M Slemon; on the same day Mr. Erell requested an appointment with Mr. McInnes to discuss delivery of the aircraft. McInnes received Erell in his office with Harrington present; Erell made a number of suggestions designed to speed delivery of the aircraft, including one that all 24 be flown to Europe by the RCAF and there released to Israel at the agreed rate of four per month. It was pointed out that this was hardly feasible in view of the fact that the RCAF were cutting their own requirements to a minimum in order to permit the Israelis to receive 8 planes before November. A general discussion of ferrying then ensued during which McInnes and Harrington drew attention to a number of unsolved problems; these Erell brushed aside as details which could be discussed at the technical level between the appropriate Israeli authorities and the RCAF. It might be fair to summarize his position in the following terms: "The RCAF are giving up 8 aircraft to us which they would otherwise have ferried to Europe for themselves; if they agree in principle to fly these 8 *for us* the details can be arranged later". It was then pointed out that no official request for ferrying had to our knowledge been made; Mr. Erell said he was now making a request. Harrington undertook to inform him as soon as the RCAF's decision was known.

As indicated above, Colonel Solomon was talking to A/M Slemon while Erell was with McInnes and Harrington. According to Erell's account given on October 17, A/M Slemon indicated that the RCAF could ferry the aircraft if instructed to do so but that the basic political decision would rest with this Department. He then indicated that actual arrangements should be discussed by the Israelis with Canadair and not with the RCAF.

September 26—On the basis of the request from Mr. Erell a letter† was drafted in Economic Division to be sent by the Under-Secretary to General Foulkes; before the draft had been approved A/M Slemon spoke to Mr. Léger by telephone and "it was agreed that the RCAF would facilitate the delivery of four aircraft per month as of September. Their present plans are to fly eight of these aircraft to be delivered in Europe late October".

September 27—Mr. Erell had called Harrington several times enquiring whether the RCAF had reached a decision; shortly after the Under-Secretary's memorandum† had been received he called again and Harrington informed him of the decision, reading the operative part[93] of the memorandum to him. The conditional aspect was not especially emphasized but reference was made to the fact that certain questions remained to be resolved directly between the Air Force[94] and the Israelis.

September 28—Having learned that[95] the RCAF wished to have it made clear to the Israelis that they would not be prepared to ferry *more* than eight aircraft,[96] Harrington called Erell; in the latter's absence he spoke to Mr. Comay. On this occasion no emphasis was placed on the conditional nature of the RCAF's ferrying plans since the purpose of the call was to head off any request for the ferrying of additional planes.

October 9—A note† was sent from the Minister to Mr. Comay formally notifying him of the Government's decision to release the aircraft, and of the conditions pertaining to that release. No reference was made to possible ferrying.

October 10—The Under-Secretary wrote to A/M Slemon enquiring about the arrangements being worked out with Canadair for delivery of the aircraft and enquiring at what stage it was proposed that title would pass. It was suggested that while it would not be desirable to withhold a reasonable amount of co-operation in connection with delivery of the aircraft, it would not be appropriate for the Canadian Government to be or appear to be, involved, particularly after ownership had passed to the Government of Israel.[97] We asked to be informed of the arrangements contemplated with the Israelis and Canadair before the commencement of delivery so that we might have the opportunity to comment.

On October 11 or 12—A/M Slemon called the Under-Secretary to say that he had reached the conclusion that the RCAF would be unable to ferry the Israeli aircraft. After reviewing possible arrangements they had come upon the additional problem of passage through Iceland, which would be difficult regardless of markings. All that could be done now would be for Canadair and the Israelis to arrange for delivery by the fastest ship available.

The Under-Secretary passed this message to Mr. Ritchie who informed Harrington. It was understood in this Department (as implied in Mr. Léger's letter to A/M Slemon) that word would go to the Israelis through the Canadair or Air Force channel.

October 16—Erell called Harrington to ask where arrangements for ferrying now stood. He said that the contract with Canadair was to be signed and transfer of ownership to take place the next day but that the Embassy had no information as to when the planes were to be flown to Europe. After discussion with Mr. Ritchie, Harrington told him that there was some reason to believe that ferrying plans had fallen through, but that he should check with Canadair who were responsible for delivery arrangements.

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[93] Note marginale :/Marginal Note:
What did this mean — delivery of all 24 to Europe by RCAF[?] [L.B. Pearson]

[94] Note marginale :/Marginal Note:
or Canadair [L.B. Pearson]

[95] Note marginale :/Marginal Note:
How? [L.B. Pearson]

[96] Note marginale :/Marginal Note:
Slemon had just told the Under Sec[retary] they would ferry all 24 [L.B. Pearson]

[97] Note marginale :/Marginal Note:
We should have told him this earlier [L.B. Pearson]

October 17—Erell called Mr. McInnes and requested an interview as soon as possible; he implied that the Department had acted in bad faith in the matter and suggested that our "decision" was politically motivated. He called Harrington later in the morning and the latter confirmed that the Air Force were now no longer prepared to ferry the aircraft.

At 5:00 P.M. Erell met Ritchie, Harrington and McInnes in the latter's office. It was pointed out to him that the decision of the RCAF communicated on September 27 had been conditional upon a satisfactory solution being reached to various problems and that in the event these problems had proved incapable of solution. Mr. Ritchie explained that the RCAF would have been placed in the position of either flying Israeli aircraft or of flying ostensibly Canadian aircraft which were in all but name the property of the Government of Israel. The first course would have meant far too great a degree of Canadian Government involvement in the sale while the second would have involved subterfuge to which the Government could not be a party. Erell professed to be unable to see that either of these alternatives constituted an insurmountable barrier and suggested that, since A/M Slemon had told Colonel Salmon that the basic political decision rested with this Department, the change of plans must be a result of such a decision having been taken. He admitted that on the previous day he had been in touch with Dooley (?) at Canadair and had learned from him that the plan for RCAF ferrying had fallen through. When he had reported this to his Ambassador Mr. Comay had told him to disregard such information since the Embassy had been informed by External Affairs that the Air Force would ferry. Erell pointed out that since Harrington's message of September 27 had been received after Salmon's conversation with the CAS the Israelis had assumed that the basic decision had been taken and that only administrative details remained to be discussed through Canadair. McInnes told him that this assumption was in the circumstances hardly justified and suggested that he had perhaps been too ready to jump to conclusions while assuming away difficulties.

Erell persisted in the suggestion that there were ulterior motives behind the decision and asked whether it was a result of objections raised by other governments. He was assured categorically that the decision had been taken by the Canadian authorities alone and for the reasons which had been indicated to him.

After Erell had left, Mr. Ritchie received a call from the Under-Secretary who had been speaking to A/M Slemon. The CAS confirmed that after he had spoken to Mr. Léger a week before he had said nothing further to Canadair or the Israelis, since once having reached a negative decision he considered the Air Force to be no longer "in the act".

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69. DEA/50000-B-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], October 19, 1956

INTERVIEW WITH THE ISRAELI AMBASSADOR CONCERNING THE RELEASE AND FERRYING OF F-86 AIRCRAFT

Mr. Comay called on me at his request at noon to-day to discuss the situation which has arisen over the possible ferrying of these aircraft by the RCAF. He said that his Government had been most appreciative when it was indicated earlier that the RCAF would be willing to fly these aircraft to Europe. They regarded this as a very generous gesture and not as something to which they had a right in some sense. He was not, therefore, coming to complain at the new intimation that these aircraft could not now be ferried by the RCAF but he was merely seeking some clarification of the new decision and of the reasons which lay behind it in order that his Government might correctly understand it.

2. Mr. Comay reviewed the history of the proposal which, he said, had occurred to them only after it appeared that enough aircraft might be released before the end of the ferrying season to make the operation worthwhile and only after Canadair had suggested the possibility of the RCAF being willing to undertake such ferrying. Mr. Comay's account did not differ materially from the chronological record contained in the memorandum sent to you yesterday.

3. I confirmed that it has now been decided that the RCAF could not ferry these Israeli aircraft. I remarked that to the best of my knowledge the most that Air Marshal Slemon had ever said was that the RCAF would be willing to consider including such aircraft in one of their own ferry flights. When Slemon had gone into the matter he had ascertained that, primarily for technical reasons, it would not be practicable to carry through the operation. I added that there was also the problem of arranging for such aircraft to pass in transit through at least two other countries en route to Europe and this was a matter which the Israeli authorities would want to look into if they contemplated some arrangement of their own for flying these aircraft across the Atlantic.

4. I stressed that the decision concerning the ferrying operation had not been influenced by the political situation in the Middle East or by the views of any Government other than the Canadian.

5. I observed that the Israeli Military Attaché was apparently seeing A/M Slemon at about the same time as Mr. Comay was seeing me and I was sure that Slemon would be explaining the technical reasons for not proceeding with the ferrying operation under RCAF auspices. I remarked incidentally that the practice of making approaches to the Canadian Government through several channels was one that could lead to a good deal of confusion. I explained that any delay in notifying the Israeli authorities of the recent decision was attributable to the fact that no one was quite certain who was responsible for conveying this information to one or another of the Israeli representatives.

6. Mr. Comay seemed to understand our position. He thought there was no point in discussing whether or not some commitment had been given to them at an earlier stage, and even if there had been such commitment, his Government would recognize that practical difficulties could prevent such an undertaking from being carried out.

7. I mentioned to Mr. Comay that if the Israeli authorities chose to arrange to have the aircraft ferried independently of the RCAF or the Canadian Government we would no doubt be prepared to let them use certain facilities under our control which might be required en route. In any event we would look into this possibility if that was desired. Mr. Comay expressed the personal opinion that an independent ferrying operation, especially at this time of the year, and in view of the lengthy negotiations which would undoubtedly be required with the Danish and Icelandic Governments, was not really feasible. He thought therefore they would probably have to turn their attention to possible shipping arrangements which would enable these aircraft to reach Israel in the shortest possible time. In this connection he noted that since the St. Lawrence would not be navigable in the latter part of November it would be a great help if the export permit for the four aircraft expected during that month could be issued in time to allow those aircraft to be taken on the same ship (bringing the total number for that ship to twelve). The later aircraft would presumably have to go out through Maritime or U.S. ports.

8. I merely promised to look into the possible timing of the release of the November aircraft. My own view is that if we have not by then suspended releases it would be reasonable for us to agree around the end of October or early in November that these four aircraft might be exported any time in November when they became physically available.

9. I suggested to Mr. Comay that we might send him a note confirming our decision on the ferrying question in order to avoid any misunderstanding or further confusion. Mr. Comay doubted that this was necessary since the matter had so far been dealt with orally. He was particularly anxious to avoid having anything put on paper which might imply that the Israelis had made a request which we had rejected. He recognized however that it was up to us to determine whether or not we would send him a written communication and said that if we decided to do so he would of course be pleased to receive it. Since there seems to be a real risk that this whole episode may later be misunderstood or misrepresented, I would still think it desirable that we give the Israeli Embassy something on paper.[98] It need not necessarily be a formal note but might take the form of a memorandum or aide mémoire. I think it would be desirable for it to include an indication of our willingness to make available such appropriate facilities as would be of assistance in the movement of the aircraft, even though it is likely that this offer would not be taken up.

10. At the conclusion of the interview Mr. Comay referred to his Government's concern over the situation which would result from the proposed movement of Iraqi troops into Jordan. He said that when this possibility had first been mentioned to the Government of Israel by the United States Representative, it was expressed in terms of a small number of Iraqis whose main function would be to re-enforce the local constabulary during the election in Jordan. It later became evident that what was envisaged was a larger and more permanent movement of troops. This was disturbing to Israel, especially when accompanied by statements by prominent Arabs which implied that the movement was a threat to the existence of Israel. The possibility of the Iraqis taking over Jordan could not be ruled out. Such an expansion of Iraq would endanger the position of Israel, and the Israeli Government had to reserve its complete freedom of action against such an eventuality. An Armistice Line which had been tolerable between Jordan and Israel might not be suitable between such a larger state and Israel. Mr. Comay added that according to their latest information the movement of Iraqi troops might not now take place. He thought that reconsideration of the venture might have been prompted by the strong statements from Israel and also by the protests from the population of Jordan. The riots which had occurred in Jordan had made it evident that the intrusion of troops from Iraq might have an unsettling rather than a stabilizing effect.

J. L[ÉGER]

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[98] Note marginale :/Marginal Note:
Yes [L.B. Pearson]

70. DEA/50000-B-40

Note du chef de la Direction du Commonwealth et du Moyen-Orient pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Head, Commonwealth and Middle East Division, to Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], November 5, 1956

F-86'S FOR ISRAEL

The Israeli Ambassador called this morning to inquire about the Prime Minister's statement regarding the cancellation or suspension of shipments of F-86's to Israel.[99] I said that I thought the meaning of the Prime Minister's remarks was pretty clear. Mr. Comay felt that further clarification was necessary and had instructions from his Government to secure it.

It was clear to the Israeli Government that the cancellation or suspension would apply to the outstanding balance of the purchase of 16 planes but they thought there was a complete difference in status between them and the 8 planes which had been released for shipment and were now being crated, at the expense of the Israeli Government, in Montreal. Export licenses for these 8 planes had been granted; they had been handed over and paid for; Canadair had formally and legally delivered them and they were now Israeli Government property which happened to be physically on Canadian soil. The Israelis had made arrangements for a vessel to pick these planes up in Halifax towards the end of this month. The Israeli Government therefore wished to know exactly and not be in a position of merely guessing whether or not these planes could be shipped according to schedule.

In the Israeli view neither the Canadian Government nor Canadair had any further connection legally with these planes and they would like to suggest that a decision should not be taken to cancel retrospectively this part of the order, since they would hope that the situation which had given rise to the Prime Minister's statement would have been clarified by the end of the month.

In support of his argument, Mr. Comay recalled the position of the Canadian Government in February last when the shipment of Harvard planes to Egypt was under discussion. The Prime Minister had announced an embargo but the Government had decided that the embargo should not apply to the Harvard planes already on their way to Egypt.[100] Mr. Comay thought that this was a parallel situation.

I said that we would look into this matter and give him an answer as soon as possible.

J.B.C. W[ATKINS]

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[99] Voir Canada, ministère des Affaires extérieures, *Affaires Extérieures*, vol. 8, no. 11, novembre 1956, pp. 334-337. Voir aussi le document 112.
See Canada, Department of External Affairs, *External Affairs*, Vol. 8, No. 11, November 1956, pp. 322-325. See also Document 112.

[100] Voir/See Document 11.

71. DEA/50000-B-40

Note du chef de la Direction économique pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Head, Economic Division, to Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], November 7, 1956

Reference: Mr. Watkins Memorandum of November 5.

F-86'S FOR ISRAEL

There seems to us to be no doubt whatever that both the Minister and the Prime Minister made it clear in their public statements that they had no intention of permitting any of the 24 aircraft ordered by Israel to leave Canada in present circumstances. It also seems clear that the Government has every legal right to prevent the departure of these aircraft including the eight aircraft which the Israeli Government has already paid for.

The provisions of the Import and Export Permits Act, under which the Minister of Trade and Commerce has authority at his discretion to suspend or cancel a permit at any time, appear to relate without restriction to the physical departure from Canada of items requiring Export Permits without regard to the ownership of the items. I should imagine that the Government could not challenge the rights of ownership which the Israeli Government presumably has in the eight aircraft for which it has paid, at least without legal proceedings, but if it is true that these aircraft are without limitation the property of the Government of Israel it seems equally clear that they are in Canada and subject to the relevant provisions of Canadian law. It would follow that the Canadian Government is just as entitled to withhold the export of these aircraft as it would be if they were the property of a Canadian citizen or company.

The Export Permit which has been issued to cover the eight aircraft paid for was valid until December 5, 1956 and has now been suspended. Unless this suspension is lifted, therefore, the aircraft will remain in Canada until the expiry of the permit in a month's time. Should that occur it would be necessary for the exporting firm to re-apply for a new permit, which presumably the Government would not be willing to approve in present circumstances.

It is my own impression that Mr. Comay is quite aware of the considerations outlined above and does not really believe that the Canadian Government will accept the arguments which he presented to Mr. Watkins. Nevertheless, these circumstances will no doubt have to be explained to him in order that he may report our official position to his Government. When this explanation is given it would no doubt be desirable to deal with the other question which he raised, namely the alleged parallel between this situation and that which applied in connection with the Harvard aircraft shipped to Egypt last winter. At that time questions were asked in Parliament concerning the order for 15 Harvards at a time when some, but not all, had left Canada. The Government announced that despite the questions raised in the House it had decided not to interfere with delivery of the remainder of the order. There may have been mention of the fact that the aircraft still to be shipped were the property of the Government of Egypt, although I do not recall such a reference myself, but in any case the Government's decision was based and explained on the Government's judgement that the international political situation did not require the suspension or cancellation of deliveries of such training aircraft.

There is a parallel between the two cases to the extent that the Government had then, as it has now, the right to withhold delivery of aircraft whether they have already been paid for by foreign Governments or not. The difference in the two cases is that last spring the Government did not see grounds for taking such action while in the present case involving combat aircraft it has stated that there are such grounds. In addition, it should be recalled that at the time the Israeli order was approved by the Government the approval was publicly made subject to the proviso that the delivery could be suspended or cancelled at any time should developments so warrant. Such a limitation, of course, applies in any such case by virtue of the provisions of the Import and Export Permits Act, but in the particular case of the Israeli order it was publicly underlined at the time that the order was approved.

A.E. RITCHIE

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72. DEA/50000-B-40

L'ambassadeur d'Israël
au sous-secrétaire d'État aux Affaires extérieures

Ambassador of Israel
to Under-Secretary of State for External Affairs

SECRET [Ottawa], December 31, 1956

Dear Mr. Léger,

SABRE JETS

At the time when the Prime Minister announced that the shipment of arms to the Middle East would be suspended, eight of the twenty-four Sabre jets purchased by my Government had already been delivered by Canadair at its plant in Montreal, and were in the process of being dismantled and crated. It was thereupon agreed with Canadair that the contract should be regarded as in suspense regarding the remaining sixteen planes, with the Company retaining an amount of nearly four million dollars already paid on account of the whole transaction.

On 7 December, in response to an enquiry I had made at an earlier date, Mr. Ritchie told our Chargé d'Affaires, Mr. Erell, that the eight planes which had already become the property of the Israel Government were included in the ban on shipment. As I informed you in our talk last Wednesday, my Government feels that under these circumstances, it should be given the opportunity to return the planes which have become "frozen" in Montreal, and receive back the amount paid to Canadair, leaving the whole contract in suspense until an appropriate time in the future, when it could be brought into operation again by mutual consent.

I have been instructed to request the Canadian Government's concurrence in principle with this course, prior to the practical details being discussed with Canadair.

Yours sincerely,

M. COMAY

73. DEA/50000-B-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassadeur d'Israël

Under-Secretary of State for External Affairs
to Ambassador of Israel

SECRET [Ottawa], January 9, 1957

Dear Mr. Comay,

SABRE JETS

In your letter to me of December 31, you asked for my views as to whether it would now be appropriate for your Government's representatives to approach Canadair Limited with a view to recovering the money paid for the F-86 aircraft.

2. It is my understanding that the contract between your Government and Canadair was concluded in the light of the Canadian Government's decision, announced on September 21, 1956, that in the circumstances prevailing at the time it would be prepared to approve the export from Canada to Israel of 24 F-86 aircraft. It was made clear that this position might be altered at any time if in the Government's judgment that should be required as a result of changing circumstances.

3. On October 30, following the outbreak of violence in the Middle East, the Canadian Government took action to hold up all arms shipments from Canada to the Middle East. In the meantime, however, your Government had made a substantial payment on account. As I am unaware of any present disposition on the part of the Canadian Government to raise its suspension of permits for arms exports from Canada to the countries concerned in the Middle East, I should consider it natural that your Government would wish to come to an understanding with Canadair concerning the present status of the contract. This would appear to be a question between the Government of Israel and Canadair, in which the Canadian Government is not involved; I am sure that the latter would have no objection, however, to an approach to this end.

4. The terms which might be reached between the Government of Israel and Canadair would not appear to me to be the concern of the Canadian Government whose role in the matter is restricted to determining at any particular time whether it is prepared to permit the export from Canada of such items of military equipment.

5. Should you wish to do so, I have no objection to your showing this letter to representatives of Canadair.

Yours sincerely,
J. LÉGER

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2^e Partie/Part 2

LA CRISE DE SUEZ
SUEZ CRISIS

SECTION A

NATIONALISATION DU CANAL DE SUEZ
NATIONALIZATION OF THE SUEZ CANAL

74. DEA/50372-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 996 London, July 27, 1956

SECRET. IMMEDIATE.

SUEZ CANAL COMPANY

1. The Secretary of State for Commonwealth Relations asked the High Commissioners to meet him at 10 a.m. this morning. He had not yet received any information beyond last night's press report of Colonel Nasser's announced expropriation of the Suez Canal Company. The report reached a Downing Street dinner being given for the King of Iraq before it broke up, but was not on last night's wireless news.

2. The Prime Minister is meeting Parliament at 11 a.m. this morning and will make a short statement, the text of which is given in my immediately following telegram.[101] The Cabinet has been called for 11.15 a.m. this morning, and consultations with the French and Americans, which began very late last night, are expected to continue during the day.

3. At the meeting in the CRO this morning, Lord Home said that the United Kingdom Government took "a very grave view" of yesterday's developments, which had taken them completely by surprise. There had been a good deal of speculation about the effect of Egypt's economic and political relations with the USSR of the withdrawal of the offer of assistance on the Aswan dam, but nobody had thought of the vulnerability of the Suez Canal Company in this new context.

4. The discussion at the CRO was brief and desultory. I said that I assumed the Foreign Office would be considering the advantages and disadvantages of bringing this new situation to the notice of the Security Council. I also said that I hoped the United Kingdom would not be too quick to gather too many spears to its own bosom. In the history of last week's developments, the first and major decision had been taken by the United States. The Company's headquarters were in Paris; its operating staff were French. There was a very wide general interest in the maintenance and free operation of the canal. It would be a mistake to measure this in terms of the national ownership of vessels using it. The coun-

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[101] Pour la déclaration de Eden, voir United Kingdom, House of Commons, *Parliamentary Debates*, 1955-56, Fifth Series, Volume 557, column 777.
For Eden's statement, see United Kingdom, House of Commons, *Parliamentary Debates*, 1955-56, Fifth Series, Volume 557, column 777.

tries whose imports and exports passed through the canal all had an interest. It seemed to me it would be wiser to identify the United Kingdom interest with these general interests as much as possible.

5. Home said that he hoped later in the day or early this evening to arrange another meeting with Commonwealth Representatives, possibly with, but more probably after, the meeting that the Foreign Secretary is arranging with the French Ambassador and the American Chargé d'Affaires.

[N.A.] ROBERTSON

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75. PCO/E-38-1

Le premier ministre du Royaume-Uni
au premier ministre

Prime Minister of United Kingdom
to Prime Minister

SECRET London, July 28, 1956

You will have seen account of Nasser's action over Suez Canal. We cannot allow him to get away with this act of expropriation and we must take a firm stand. If we do not, the oil supplies of the free world will be at his mercy and Commonwealth communications and trade will be gravely jeopardised.

2. We are meeting on Sunday representatives of the United States and France whose governments are most immediately concerned, with the object of concerting future action. We believe that we should seize this opportunity of putting the canal under proper international control as a permanent arrangement. We hope we may be able to attain this objective by bringing the maximum political pressure to bear on Egypt, and we shall try to enlist for that purpose the support of the main maritime and trading powers using the canal. But it may be that this will fail and that in the last resort force may have to be used to secure Egyptian agreement. We may well have to face that possibility. I will however telegraph to you again after our week-end meetings, and will see that you are kept fully informed.

3. I have seen your High Commissioner and am keeping your government in touch with developments.

4. I am sending a similar message to Mr. Holland, Mr. Menzies, and Mr. Strijdom.

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76. DEA/50372-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM J-1063 Ottawa, July 28, 1956

TOP SECRET. IMMEDIATE.
Reference: Your tel 996 of July 27.

SUEZ CANAL CO.

We have sent you the text of the statement which I gave to the press yesterday in response to enquiries.[102] This statement expressed our concern at the threat to what is recognized as an international waterway although the Canadian Government has no participation in the Suez Canal Company. It would appear that there has been no technical violation of the Constantinople Convention so long as the Egyptians do not interfere with shipping going through the canal, but that there has been a unilateral breach of the Suez Canal Company's concession. We do not have the terms of this concession available and it would be useful if you could cable to us a summary of them.

2. Quite apart from the legal and technical aspects of the Egyptian action, we are aware that it has broad implications of a potentially explosive character. We believe that you have adopted a prudent line in urging upon the United Kingdom the wisdom of proceeding in a manner designed to obtain the greatest amount of international support.

3. The Prime Minister today received a message from Sir Anthony Eden stating the necessity of taking a firm stand and of endeavouring to get a permanent arrangement to put the canal under proper international control. We have also been asked by the United Kingdom authorities to take action in regard to the Suez Canal Company's assets. We have stated to Earnscliffe that we will examine this matter but that our initial reaction is to doubt its practicability in this country.

4. I am deeply concerned at the implications of some parts of Eden's message; especially as I doubt very much whether he will receive strong support from Washington in the firm line which he proposes to follow. A talk which I have just had with the United States Ambassador here strengthens these doubts. Surely the UK Government will not do anything which would commit them to strong action against Egypt until they know that the US will back them.

5. I am also worried as to the meaning to be given Eden's words, "we believe that we should seize this opportunity (sic) of putting the canal under proper international control and permanent arrangement." Surely with the Russians dissenting and supporting Egypt, the UK do not think that this can be done, as they profess to hope, "by political pressure" alone. There remains force — which they visualize as a last resort. But is it not clear that to be effective enough force would have to be used to destroy the Nasser Government and take over Egypt? Any effort to use force, in fact, would in all likelihood result in an appeal by Egypt to the UN. That would be bringing the UN into the matter with a vengeance, and by the wrong party.

6. I'm glad that you have stressed the importance of bringing the UN into the question. This may not be practicable but it certainly shouldn't be dismissed without the most careful consideration. It mighty well be argued that if an international dispute is of such a character that force is envisaged, it is also one that should be brought before the UN in order to try to avoid the use of such force.

7. These observations, which are sent to you in haste, may all seem pretty negative, but at the moment I am less worried about being negative than about being rashly positive.

8. Since beginning this message I have read your Message 1009 and I entirely approve of the line you took during the discussion with Lord Home. I should tell you, however, that

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[102] Voir/See James Eayrs, *The Commonwealth and Suez: A Documentary Survey*, London: Oxford University Press, 1964, p. 46.

the view of Israel's possible reaction given by Lord Home is shared, according to Merchant, in Washington.

L.B. PEARSON

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77. DEA/50372-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1009 London, July 28, 1956

TOP SECRET. IMMEDIATE.

EXPROPRIATION OF SUEZ CANAL CO.

1. I was called to Lord Home's office this afternoon and given a copy of Sir A. Eden's message to Mr. St. Laurent. The New Zealand High Commissioner and the South African Acting High Commissioner were also there. Australia was not represented.

2. Webb was doubtful whether the legal case against the Egyptian government's action was sufficiently overwhelming to support and justify the course of action envisaged.

3. Jordan equally without instructions thought his government would share the United Kingdom's appreciation of the importance of the issues raised by Nasser's action.

4. I explained my own misgivings about the policy contemplated pretty much in the language I have used in my messages to you. I thought that it would be difficult to bring forward now Egyptian breaches of the basic Canal Convention which had in effect been condoned despite the findings of the Security Council as a justification of a threat of force. I thought the issue of expropriation and the way in which it had been brought about should be kept distinct from the issue of international rights in the water way. I was afraid that if the situation developed along these lines it would be Egypt who would be in a position to bring the dispute before the United Nations perhaps with disastrous results.

5. As an element in a holding policy I mentioned the possibility of reconsidering decisions about the release of defensive arms to Israel. Home did not follow me at all. We thought that if the situation should move toward the use of force against Egypt there would be a risk that Israel might be encouraged by additional armaments to strike at Jordan which would bring Irak in on the Arab (and Egyptian) side.

6. Home told us that a meeting with the French and Americans was now arranged for Sunday night or Monday morning. Pineau would be here and Bob Murphy is expected from Washington on Sunday.

7. I am arranging to see the U.S. Chargé d'Affaires this afternoon and will find out what instructions, if any, he has.

78. PCO/E-38-1

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM M-1064 Ottawa, July 28, 1956

SECRET. IMMEDIATE.

SUEZ CANAL COMPANY

With reference to the UK Prime Minister's message to Mr. St-Laurent, no reply has been specifically requested but one may be expected. If you feel that an answer in the terms indicated below would be helpful, will you please pass it on. The Prime Minister is anxious, of course, not to appear to be intervening with advice which would be too negative in character to do anything but irritate. On the other hand, a message of this kind at this time might be useful and welcome.

2. If you feel that the message should be kept in suspense or if you have any changes to suggest to it before forwarding, will you let us know. Message beings:

I have just received through your High Commissioner's office your message regarding Nasser's action over the Suez Canal. I can fully appreciate and I have noted with interest that you are meeting representatives of the United States and French Governments who must be equally concerned. While the matter is not of the same direct interest to Canada, nevertheless, as our Secretary of State for External Affairs said in the House of Commons this morning, we would be concerned about and would condemn any action which interfered with the efficient and non-discriminatory operation of the canal.

2. I shall look forward to receiving the result of the consultations you are having with the two other Governments Monday. I am impressed by the difficulty of securing any permanent arrangement for bringing the canal under appropriate international control in view of the attitude of Nasser, who is not likely to co-operate in any effort to this end, and not, I think, likely to succumb to pressure unless all the Great Powers were united in applying it.

3. I am sure that you appreciate that the use of force in present circumstances — even as a last resort — will be surrounded by risks and difficulties, one of which might be the submission of the matter to the United Nations by the wrong party. On the other hand, if access to the United Nations could be brought about by the right party, there would be obvious advantages in that course, though also, of course, some obvious difficulties.

4. I am grateful for the opportunity that has been afforded our High Commissioner of exchanging views with you and some of your colleagues on this whole question. The views which Mr. Robertson has already expressed are a reflection of our own, and he will pass on to you any additional observations which we may desire to submit as the situation develops. Ends.

L.B. PEARSON

79. DEA/50372-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET [Ottawa], July 30, 1956

ASSETS OF THE SUEZ CANAL COMPANY IN CANADA

The attached telegram† from the Foreign Office to the United Kingdom High Commissioner in Ottawa was left with the Department on Saturday by Mr. Belgrave from Earnscliffe. As you are aware, this telegram requests the U.K. High Commissioner to urge the Canadian Government to follow their example in freezing the assets of the Suez Canal Company. The U.K. Government issued instructions to their banks over the weekend that permission of the U.K. Government must be obtained before the banks acted on any instructions received from the Egyptian Government concerning the disposal of Suez Canal Company assets. The U.K. Government also gave instructions that any transfers from Egyptian sterling balances held in the United Kingdom would also be subject to permission. As you are aware, Mr. de Villelume, the Counsellor of the French Embassy in Ottawa, also called on me on Saturday to explain that his Government had taken similar measures with respect to Suez Canal assets held in France.

2. So far the "urging" from the United Kingdom has been limited to a visit from a relatively junior officer from the staff of the High Commissioner. The Canadian authorities are not aware of what assets the Suez Canal Company holds in Canada and at your suggestion we have not pressed Earnscliffe to obtain this information for us. However, I suspect that this information may be made available to us, although unsolicited, later today.

3. It is the preliminary view of officials in this Department and in the Bank of Canada (Mr. Rasminsky was consulted at some length over the weekend) that no legislative authority short of the War Measures Act exists in Canada by which the Government could intervene in the disposal of privately held assets in Canadian banks. I assume that in the circumstances there would be no thought of invoking the War Measures Act. The Department of Justice is being consulted this morning to ensure that the preliminary view of officials who discussed this question over the weekend is correct and I shall confirm this preliminary view later in the day.

4. I believe that the U.K. Government fully appreciated that we did not have authority to comply formally with their request. (In fact Belgrave intimated to an officer of this Department that their own Financial Adviser at Earnscliffe was well aware of the fact that no such authority existed.) However, I believe that the United Kingdom are hoping that Canadian Ministers might wish to speak informally to the banks in Canada to suggest that there is some doubt about the legality of the action which the Egyptian Government has taken in nationalizing the Suez Canal Company by decree. In view of this doubt the banks might wish to avoid taking any action on instructions which may be received from the Egyptian Government (or possibly even from the head office of the Suez Canal Company in Paris) until the situation became clearer. While any action along such lines is clearly not one on which officials of this Department would wish to make any judgment, such an approach would obviously be very delicate. Before taking any decision I should assume that the Minister of Finance would wish to consult very thoroughly with the Bank of Canada and with the Inspector of Banks.

5. I assume that it would be your thought that Mr. Harris should reply in the House to any question which might be raised concerning Canadian action with respect to the disposal of Suez Canal Company assets in Canada. I am sending a copy of this memorandum to the Acting Deputy Minister of Finance and to Mr. Rasminsky in the Bank of Canada.[103]

J. L[ÉGER]

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80. DEA/50372-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM M-1070 Ottawa, July 30, 1956

SECRET. MOST IMMEDIATE.
Reference: Your Message 1013 of July 30/56†.
Repeat Washington; Paris; Permdel.

SUEZ CANAL

The Prime Minister has decided to omit from the reply to Mr. Eden the last sentence of para 2 and all of para 3 of the earlier draft. We feel that the press reports from London indicating that the three Governments may have a proposal to make for some kind of international supervisory action make it desirable to suspend any related observations we might have wished to make until we see what this proposal is. Will you therefore pass on the following message to the Prime Minister from Mr. St. Laurent. Begins:

2. I have received through your High Commissioner's Office your message regarding Nasser's action in arbitrarily expropriating the Suez Canal Company. I fully share your great concern over that action and I have noted with interest that you are meeting representatives of the United States and French Governments who must be equally concerned. While the matter is not of the same direct importance to Canada, nevertheless our Secretary of State for External Affairs said in the House of Commons before I had received your message that we would be concerned about and would condemn any action which interfered with the efficient and non-discriminatory operation of the canal.

3. We shall look forward to receiving the result of the consultations you are having with the two other Governments.

4. We are grateful for the opportunity that has been afforded our High Commissioner of exchanging views with you and some of your colleagues on this whole question. The views

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[103] Le 3 août, l'Inspecteur général des banques a appris à l'Association des banquiers canadiens que « the legality of the action which has been taken by the Egyptian Government ... has been challenged by other governments ... and that the banks may wish to have this information in connection with any request they may receive for release of assets of the Company which may be held by them in Canada. » Communication de W. E. Harris à L. B. Pearson et pièce jointe, 7 août 1956, MAE 50372-40.

On August 3, the Inspector General of Banks informed the Canadian Bankers' Association that "the legality of the action which has been taken by the Egyptian Government ... has been challenged by other governments ... and that the banks may wish to have this information in connection with any request they may receive for release of assets of the Company which may be held by them in Canada." W.E. Harris to L.B. Pearson and attachment, August 7, 1956, DEA 50372-40.

which Mr. Robertson has already expressed are a reflection of our own, and he will pass on to you any additional observations which we may desire to submit as the situation develops. Ends.

5. You will note from the above that we have left off the words "and indignation" in the first para.[104]

[L.B.] PEARSON

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81. DEA/50372-40

Note du chef de la Direction du Commonwealth et du Moyen-Orient pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Head, Commonwealth and Middle East Division, to Under-Secretary of State for External Affairs

SECRET [Ottawa], August 2, 1956

The United Kingdom High Commissioner, Sir Archibald Nye, called on the Minister in his office in the House of Commons yesterday at 6:15 p.m. to discuss the Suez Canal situation. The two points in which he was mainly interested were our attitude towards the use of force and our views on the calling and composition of an international conference.

The Minister told him that we doubted the efficacy of attempting a solution to the problem by the use of force. The Prime Minister had considered including an expression of this feeling in his message to Sir Anthony Eden but had decided not to do so.

It had just been reported over the news ticker that a decision had been reached at the London meetings to call a conference of the Constantinople Convention signatories, including both Egypt and the Soviet Union. The Minister thought that this was a hopeful sign and that it was a good idea to include the Soviet Union. Sir Archibald agreed.

When Sir Archibald inquired whether Canada would wish to participate, the Minister said not unless it was felt that we could make a useful contribution. It seemed doubtful that we could be included under the Constantinople Convention of 1888. We were not one of the countries having a great deal of shipping through the canal, like Norway, for instance. On the other hand, we were one of the three or four largest trading nations. If the British felt that our participation would be helpful and wished to formulate the criteria in such a way that we could be included, we would not refuse to take part.

Sir Archibald read out a telegram stating that the British Ambassador in Cairo had been interested to advise the United Kingdom citizens discreetly that, if they have no urgent reason to remain in Egypt, there might be less anxiety for their families if they were to leave. The Ambassador was keeping in touch with his Commonwealth colleagues. (See memo of Aug. 2† attached). The Minister thought that the decision to call an international conference would mean that there was less immediate danger.

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[104] Robertson a informé par la suite Pearson qu'il avait montré à Norman Brook « original unrevised draft » de la réponse de Saint-Laurent à Eden, ainsi que ses rapports initiaux sur la crise à l'intention d'Ottawa. Voir le télégramme de Londres à Ottawa n° 1144 du 21 août 1956, MAE 50372-40.

Robertson later informed Pearson that he had shown Norman Brook the "original unrevised draft" of St. Laurent's reply to Eden as well as his initial reports to Ottawa on the crisis. See London to Ottawa, Telegram 1144, August 21, 1956, DEA 50372-40.

82. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET [Ottawa], August 7, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of National Health and Welfare (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Fisheries (Mr. Sinclair),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).

The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

. . .

SUEZ CANAL; EXPORT OF AIRCRAFT TO ISRAEL
(PREVIOUS REFERENCE JULY 31)[105]

6. *The Secretary of State for External Affairs* reported that the Suez Canal situation was very serious. Probably no untoward developments would occur between now and August 16th, the date set for the 24-power conference called by the United Kingdom. However, the British and the French would be submitting proposals at this conference for an international régime to control and operate the canal and it appeared that these would not be acceptable. The British had committed themselves to the use of force, and, in the event that the conference was not a success from their point of view, would take action and presumably occupy the canal zone. They were as firm in their attitude on this matter as they had been on any other issue since World War II. They felt they could impose their authority on the Egyptians. Such a step would lead to the most serious consequences. The whole Arab world would rally in support of Egypt, and the Commonwealth would be split as would the United Nations.

The United States would not be so vigorous in supporting the U.K. and French proposals at the conference. In fact, the U.S. authorities would probably try to get Britain and France to retreat as gracefully as possible from their present position. They were profoundly alarmed at the course events were taking and thought the situation even more serious than that which prevailed when war occurred in Korea. The Australian Prime Minister, too, was most disturbed. He was in Washington at present, and instead of returning home would go to England for the meeting on August 16th. He hoped to exercise a moderating influence on the U.K.

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[105] Voir/See Document 57.

The British did not want to raise the matter in the United Nations. But if they took action the Egyptians probably would refer the matter to the Security Council. They had the legal right to do this and would undoubtedly have moral support as well for doing so.

7. *During the discussion* the following points emerged:

(a) It might be desirable if Mr. Pearson were to go to Washington or New York immediately to see Mr. Menzies. On the other hand, he was in close touch with him about the situation and going openly to Washington at this stage might only be misinterpreted.

(b) Nasser could not seriously hope to build the Aswan dam from the earnings of the canal. Last year, it only had a profit of £20 million. Presumably much of this had to be used for maintenance and the remainder, plus any surplus that was available, would have to be devoted to compensating the shareholders of the company.

(c) The U.K. hoped to have Nasser removed from office as they had been able to remove Egyptian leaders in earlier history. However, times had changed, and an old-fashioned show of force in the Middle East would only lead to the most serious and undesirable consequences.

(d) Canada had not been invited to attend the conference, which was understandable and desirable in itself on many counts. But it was hard to explain why South Africa and the various Middle Eastern countries had been left out. The U.K. had, in fact, behaved rather strangely throughout this crisis. For instance, the royal proclamation declaring a state of emergency has stated it was desirable to protect the interests of the Commonwealth. This was improper but perhaps just a mistake.

(e) As regards arms shipments to Israel, the U.S. had asked that we postpone action to enable an assessment to be made of what effect they might have at the present time. The French were anxious to release their Mystères right away. But the U.S. authorities were concerned with the domestic political reactions to any shipments they might make during an election campaign.

8. *The Cabinet* noted the further report of the Secretary of State for External Affairs on the situation arising out of Egypt's decision to nationalize the Suez Canal and the discussion on the related question of exporting aircraft to Israel.

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83. DEA/50372-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM M-1092 Ottawa, August 7, 1956

SECRET. MOST IMMEDIATE.

Repeat Paris; Washington; Permdel; Canac (Immediate).

SUEZ CANAL

Our feeling here of relief and satisfaction that the tripartite meeting resulted in an agreed communiqué which provided for an international conference is qualified by anxiety as to what will happen at that conference and subsequently. Our main worry is that the United Kingdom and the French have gone so far in committing themselves to the use of force if the forthcoming conference does not produce a result satisfactory to them. I assume that the British position is based on the hope that an agreement for an international control authority for the canal, along the lines which have been communicated to us, can be reached at this conference. This proposed scheme seems sensible and practicable but I find it difficult to share the hope that Egypt will accept such an agreement. I hope I am wrong but if not, where do we go then? Presumably the British and the French and the others who support them at the conference will try to impose the arrangement by political pressure on a resisting Egypt. This might be possible if active support for such a procedure were widespread, but frankly I do not see such general support forthcoming. The Russians, of course, are not likely to co-operate, while the Asian-Arab states will be unanimously opposed to bear on the Egyptians. Among other things, this will split the Commonwealth with possibly far-reaching results, and may break up the Baghdad Pact. Furthermore, is there any assurance that the USA will co-operate in the kind of strong political pressure which would be required? The Egyptians know that American interest in this matter is not as immediate or as strong as that of the UK and France, and they will try — as indeed they are already trying — to exploit this difference. If the Americans do not, in fact, back the British and the French to an extent which seems satisfactory in London and Paris, there is bound to be grave disappointment and even bitter criticism, and this will impose strains on the Alliance; especially as the US Government's hesitation will be related, and no doubt with some justice, to the current domestic political situation.

2. If political pressure fails, then the British and French seem committed to the use of force for which they might have little legal justification whatever the practical necessities might be. If this is not their plan it seems strange that they would be giving so much publicity to troop movements, etc. but here I think they will be almost entirely on their own, certainly in so far as Arab, Asian, or USA support is concerned. As the use of force would probably have to extend beyond the Suez area to Egypt itself, the consequences would be far-reaching for the Commonwealth, for Anglo-American co-operation, and for peace in the Middle East generally. In these circumstances, it seems almost inevitable that Egypt would appeal to the United Nations which would be a very strange result indeed from the developments of last week and one which I should think would be most embarrassing for the UK, and hardly less so for her friends.

3. I take it that they are just as worried in London as we are about these possible consequences, but what are they doing to avoid them, except to assume that Nasser is either bluffing or is weak and can be brought to book by firmness. I gather from messages received from Cairo that Nasser himself has his own worries about his recent action and would not be averse to some way out of his dilemma if one could be found which would save his face and his nationalization decree, and at the same time be agreeable to Paris and London.

4. I take it from your messages that there is no possibility of agreement on the United Nations being brought into the matter at this stage, and I assume also that there is no possibility of extending any proposed international régime for the Suez to other international waters, like Panama. So I am at a loss for ideas myself.

5. It has just occurred to me, however, that if the forthcoming conference could recognize the nationalization of the company, Nasser might conceivably agree to a continuing committee of the conference, possibly taking the form of a council of some of the Ambassadors in Cairo of the States represented at it which could be used as an agency to ensure that Egyptian ownership and operation would be carried on within the principles of the Constantinople Treaty. This would be a less formal arrangement than the International Suez Control Authority now visualized, but might possibly be acceptable to Egypt.

6. In any event, it is clear that every possible effort must be made to prevent a chain of developments which would result in Anglo-French military force being exerted against Egypt in a way which would split the Commonwealth, weaken the Anglo-American Alliance, and have general consequences which would benefit nobody but Moscow.

7. As you will have gathered from the above, we are not very happy here about developments and where they are leading. But we have no desire to be critical unless and until we can come up with some constructive ideas of our own.

8. I would be glad to get your comments on the above analysis of the position. We will then have to decide here whether we should make our worries known officially to the three Governments.

Following for Washington, Paris, Permdel, New York and Canac Paris: I should be glad to receive your comments on our analysis of the position as seen from your posts.

L.B. PEARSON

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84. DEA/50372-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1064 London, August 8, 1956

SECRET. MOST IMMEDIATE.

Repeat Paris; Washington; NATO Delegation; Permis (Information. Immediate).

SUEZ

1. Lord Home had me down to CRO this morning to inform me of developments. He saw me alone and referred to my talk yesterday with Garner. He told me that India had accepted the invitation to attend the conference, and he then discussed in general terms the UK's objectives and what would happen after an agreement had been reached.

2. I asked him what would happen if an agreement was not reached and I said it was in that area that the preoccupations lay which had prompted me to speak to Garner yesterday. I said I could not go beyond that position because I had not been asked to place any Canadian views before him officially on this aspect. I knew, however, you were giving a great deal of thought to all aspects of the problem including this one, hoping to be able to come up with some constructive ideas. I said I knew you would welcome at this stage any light on what the UK was planning to do in the event of disagreement because of the serious consequences that could flow from it. I then briefly outlined the argument in your M1092 of August 7, and asked whether the UK was prepared to embark on a course that entailed such risks. Lord Home answered: "It could not be washed out, it could not be washed out",

and added that all parties should understand quite clearly that the United Kingdom was in earnest.

3. He then dealt with the routine of the conference, but when I was leaving he returned to the use of force, and asked what were our views. I thought this an odd question because he knew our original position from Mr. St. Laurent's first message to the Prime Minister and I thought I had gone as far as I could to indicate how we were thinking now. However, I repeated what I had said about the inherent threat to the Commonwealth and to the Anglo-American alliance and the effect of an Egyptian appeal to the United Nations.

4. I found Lord Home less reassuring than Garner had been. He was also harder to follow and I do not know how much of what he said came from a determination to show no weakness and how much was based on a careful assessment of what was involved in the use of force. His mind did seem to run so much more on the problems of what to do when the conference produced agreement than on the problems of disagreement.

5. He said he intended to see me frequently. I said I would report the conversation to you and advise him of any comments you might make.

6. I feel we should put our worries officially before the UK. Indeed, it seems an inescapable obligation unless we can obtain solid comfort from Eden's address tonight.

7. On the conference itself, what Lord Home had to say was more reassuring and I felt that the UK is prepared to go some way to reach an agreement. I asked specifically if their ideas for international control precluded a nationalized Egyptian Canal Company, and he said it would be a most unwelcome solution but could not be ruled out.

8. On the role of the UN, he said that now that India had agreed to participate in the conference he did not think the UK would accept a proposal from Egypt to give the issue over at this stage to the UN. However, the UK were contemplating bringing the UN in in some manner, after an agreement had been reached. In this context, I referred to Mr. Pearson's reference to the UN in his statement to the House on August 1, and I added that you were undoubtedly carefully considering the relation of the UN to the problem. Hence if we do develop any constructive suggestions, we could easily pass them on.

9. On the subject of a change of venue, he said now that the Indians had decided to come in it was likely the UK would insist on the conference being held in London. There were enough acceptances in hand to ensure that it would be an important and representative conference.

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85. DEA/50372-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM K-1105 Ottawa, August 9, 1956

CONFIDENTIAL. IMMEDIATE.

Reference: Your message 1072 of August 9.†
Repeat Washington; Permdel; Paris; Canac (Important).

SUEZ CANAL

The situation appears to have eased somewhat during the last two days with Western spokesmen emphasizing the importance of a peaceful solution and with the acceptance by a large number of countries, including India, of their invitations to attend the International Conference. We agree therefore that it would probably be best not to say anything more formally to the Foreign Office at this time about our apprehensions over the possible consequences of failure of the conference.

2. The Prime Minister has already expressed Canada's support of the objectives of the conference.[106] We think that it would be useful if you were to carry out your suggestion of conveying to Lord Home our relief at the improved atmosphere and at Eden's assurance that what is being sought is a solution by the broadest possible international agreement and not by force.[107]

3. We were glad to learn that the Indians have been making constructive efforts to try to get Egypt into negotiations and we should be interested to know the Foreign Office view on the line taken in para. one of your message No. 1067 of August 8.† We too have doubts about the practicability of imposing an international authority on Egypt entirely against its will. In this regard you might also pass on to the Foreign Office informally the suggestion about a continuing committee of the conference contained in para. five of our message M1092 of August 7 and let us know their reaction to it. This is in effect another version of the Indian idea of a smaller group to exercise international authority, if such authority can be established. It might be in some such form as this that a settlement could emerge if, as seems possible, the Western and Egyptian sides come to propose control authorities composed of different groups of States.

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86. DEA/50372-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1087 London, August 10, 1956

SECRET. IMMEDIATE.
Reference: Your K1105 Aug 9/56.
Repeat Paris; Washington; Permis.

SUEZ

When I conveyed your message to Lord Home today, I emphasized that our relief was at Eden's assurance that the solution being sought is not a solution by force. I also tried to make it clear to him that although our worries had been unofficial in form they were very real in substance.

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[106] Voir Canada, Chambre des Communes, *Débats*, 1956, volume VII, pp. 7157-7158.
See Canada, House of Commons, *Debates*, 1956, Volume VII, pp. 6919-6920.

[107] Pour la déclaration d'Eden concernant la question de la force, se reporter aux *Documents on International Affairs, 1956*, pp. 158-161.
For Eden's statement on the question of force, see *Documents on International Affairs, 1956*, pp. 158-161.

2. Garner had told me earlier today that although the atmosphere had, he felt, improved somewhat, there had been no let-up in the "precautionary measures" and he did not expect any. He said there were some who still needed convincing, and he (2 groups corrupt) was important to leave no doubt as to our misgivings about the use of force.

3. I passed on your informal suggestion for a continuing committee of the conference to both Lord Home and Garner, and both were much interested. Lord Home intends to take it up with Selwyn Lloyd. We discussed the suggestion briefly. The first reaction of both of them was that the suggestion did not meet the requirements of international control, either in terms of operations or of finance. I commented that it was probably not intended to cover the technical aspects of control, but was a formula for providing continuing international supervision, and had the advantage first that it did so without requiring the introduction into Egypt of any new foreign bodies; and secondly that it supplied an ingredient that was missing in the present position, that is, international backing. I think it would be helpful to develop your ideas more fully for them, which I was unable to do. Lord Home again mentioned he would welcome our suggestions.

4. I have the clear impression that they are doing everything they possibly can to work for the success of the conference taking into account, as Lord Home said, the need for respecting Egypt's sovereignty and interests. However, Eden's statement is regarded by many here as having reduced his grounds for manoeuvre, as Rockwell observed to Mr. Heeney in the conversation reported in Washington's Tel 1466 Aug 9.† Eden's attack on Nasser personally has not only made it more difficult for Egypt to attend the conference but for the British to accept a solution that depends on Nasser.

5. Lord Home told me that the British do not intend to meet any of the suggestions put forward by the Russians in their reply to the invitation, a reply he took as a prelude to refusing to attend.

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87. DEA/50372-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET [Ottawa], August 27, 1956

THE SOVIET POSITION IN THE SUEZ CRISIS

The Soviet position in the Suez crisis, so far as it has been disclosed, is as follows:

(a) On August 9, the Soviet Government issued a formal statement in reply to the British note of August 3. It supported Egypt's right to nationalize the Canal; condemned military preparations on the grounds that, since Nasser had guaranteed free navigation and promised compensation, these constituted unnecessary and unjust pressure which contributes to tension; urged a peaceful settlement; and agreed to attend the London Conference, although it stated that 22 additional countries should be invited, a date closer to the end of August should be selected, and the location of the conference should be Cairo. The statement also noted that questions concerning free navigation in waterways of international interest should be discussed in the framework of the UN.

(b) At the London Conference on August 16, Shepilov repeated these and made a few additional points. He recognized that the problem is acute and regretted the British refusal to accept the Soviet proposals. In view of the improper nature of the conference, Egypt could not possibly attend and the conference should not attempt to achieve more than an approach to the problem which would be acceptable to Egypt for succeeding negotiations. Shepilov emphatically denied that the USSR has special interests in the Middle East.

(c) On August 17, Shepilov stated that Nasser had to be trusted. The Western proposal for international control of the Canal was incompatible with Egyptian rights and the principles of the United Nations. The Soviet Government supported the Egyptian proposal of August 12 for a new or supplementary convention on free navigation and called for a discussion of tariffs with Egypt.

2. The factors affecting the Soviet position are economic, strategic and political.

Economic

(i) Since the construction of the Canal, Russian use thereof steadily increased until 1914. After the Revolution, the Soviet Government made relatively little use of the Canal. Since 1945, however, it has assumed a heightened importance for the USSR. The growth of the economy of the Soviet Far East, and new-post-war commitments to China and Northern Vietnam, and trade and shipping agreements with India and Burma have greatly increased the west-east flow of Soviet freight, especially of oil. To cope with the growing burden on the Trans-Siberian Railway since 1950, the USSR has had to resort to a major programme of electrification, dieselization, and expansion of the network of parallel track, and it has been forced to aid the Chinese in building two new links through the Mongolian People's Republic and Sinkiang. Meanwhile, her merchant and high seas tanker fleets and her Pacific port capacities have been expanded, and the volume of Soviet freight moving through the Canal has risen considerably. The fact that her present plans envisage the further long-term expansion of her fleets indicates that she does not expect to rely exclusively on the new and improved overland routes. Although the total volume of Soviet freight which moves through the Canal is still a small proportion of the world aggregate, this has a very great, and will assume an even greater significance, for Soviet economic interests in the Far East and South-East Asia. For example, in May 1956, out of a total of 1404 transits by ships totalling 11.3 million tons, Soviet Bloc vessels accounted for somewhat less than .3 million tons. In only one week (May 27-June 3, 1956), however, nine Soviet tankers carrying 85,000 tons of petrol passed through the Canal en route East. Over twenty Leningrad class tankers have been built in the USSR, apparently for this trade. It is expected that these vessels will be capable of three round trips on the Black Sea/Far East run. The increasing importance of petrol movements can be further seen from the figures for the past four years. Shipments to the Soviet Far East have risen from 20,000 to 442,000 tons, to China from 15,000 to 50,000 tons, and the total, including shipments to Vietnam, from 35,000 to 500,000 tons. Last year, 40,000 tons were delivered to China in Polish, rather than Soviet bottoms.

(ii) Although a lesser amount of freight moves from the satellites through the Canal to the under-developed areas of Asia, the number of vessels carrying this which are of Polish registry is no longer negligible. Moreover, of the total Bloc trade with the Far East, about 1/10 moves through the Suez Canal. Thus not only the USSR, but the entire Communist Bloc has every reason to seek for the Canal a régime which will ensure free navigation.

(iii) The Russians themselves have stated that since the opening of the Volga-Don Canal in 1954 has connected the central European USSR with the Black Sea, the Suez Canal has acquired increased significance for the Soviet economy.

(iv) The USSR must appreciate that Western use of the Canal will exceed Bloc use thereof for many years to come. In view of the importance of oil sales to the Arab lands, she is in no position to encourage any restrictions on navigation so far as the West is concerned.

Strategic

(i) For the foreseeable future, it is certain that the USSR wishes to prevent a major war from arising out of the present issue.

(ii) It must be assumed that the USSR has concluded, if only from the experience of the Second World War, when both defending and attacking powers were prepared to destroy the Canal, that a convention is inadequate to keep it open in time of war.

(iii) The precise course of a major war cannot be foreseen by the Russians any more than by the West. In a war of short duration, the Canal will probably have as little importance for the Russians as for the West. In a prolonged war, it is possible that the Russians might attach some importance to the Canal. The economic importance would arise out of the factors considered above. In the event of a major war, Western planners have concluded that the USSR would mount a campaign in the Middle East primarily to gain control of the oil sources of the West. In view of the possible strategic importance of the Canal to the USSR, it is doubted that the Russians would attempt to extend this campaign to accomplish its destruction, unless this proved necessary, though they would undoubtedly wish to put themselves in a position to prevent its full use by the West. The USSR must therefore desire a régime which will facilitate her ends in war, either to destroy the Canal, or prevent its use as events dictate.

Political

(i) One Soviet objective which has survived all the shifts in Russian tactics and propaganda in the Middle East is the withdrawal of Western interests from the region. The primary Soviet political objective in this case is the abolition of British and French control over the Canal. The USSR must also be at pains to ensure that American influence does not fill the vacuum left by the withdrawal of the British and the French.

(ii) There would seem to be no other comparable waterways concerning which the Soviet Union might expect to compromise her position by that which she adopts in the case of the Suez Canal. The reference in the Soviet statement of August 9 to the Western lack of concern about other canals and straits of international significance seems to be gratuitous and ineffective sarcasm. The analogy with the régime of the Bosporus is not entirely accurate, though it has been Soviet (and Russian) policy consistently to urge international control of the waterway. In this respect, the USSR has, then, to consider the regional and world reaction to her position only with regard to this Canal.

(iii) As regards the Arabs, the Soviet Union stands to gain prestige by supporting Nasser against the West in all respects, especially in view of her refusal, after apparently hinting her readiness for nearly two years, to finance the Aswan High Dam.

(iv) The Soviet Government seems clearly satisfied with the results of its new policy vis-à-vis the West, and undoubtedly does not wish to risk loss of the ground gained, in the past three years.

(v) The USSR has thus far shown herself highly sensitive to world opinion and clearly wishes to mobilize this as far as possible in favour of Egyptian and Soviet Bloc requirements.

(vi) In 1954, a Soviet publication on the Suez Canal stated that the "fate of the Suez Canal does not constitute a private question of the mutual relationships of England and Egypt but is a complicated international problem. All states taking part in international trade are interested in a correct and just solution of this problem.... The Suez Canal should serve the purposes of international navigation without the establishing of distinctions or the granting of advantages to individual powers. No single state should try to obtain a privileged position on the canal." In urging a peaceful settlement, and by agreeing to attend the London Conference, the USSR has implied that there is room for negotiation and has set an example for Nasser. The Soviet agreement to come to London, and the Soviet call for a wider conference, is a specific recognition of international interest in this issue.

(vii) The USSR has thus far said little about submission of this issue to the United Nations, and, in view of the composition of the Security Council, may well wish to settle this outside of that body.

Conclusion

(a) The nationalization of the Canal would contribute to a primary Soviet political purpose in the Middle East, the withdrawal of French and British control. It also gratifies Arab as well as merely Egyptian sensibilities. The USSR has therefore supported this from the outset and will probably continue to do so. Her first objective at the London Conference has been and will be to secure world recognition and support for this *fait accompli*.

(b) The Soviet Government has thus far evaded the issue of the nationalization of the foreign assets of the Canal Company. Its statement of August 9 was confined to assets on the territory of the nation concerned, and its reference to the resolution of the General Assembly of December 1952, which urged nations to refrain from the infringement of other nations' rights may have been intended as a caution to Egypt in this respect. The recent Soviet drive in the under-developed countries has exported Russian capital for the first time since 1917. It may be that Moscow will not now be so quick to oppose negotiation on this aspect of nationalization.

(c) The USSR has thus far carefully avoided any precise commitment on the control of the Canal, and it should be easy for her to delay any clear pronouncement until positions of the Western Powers and of Egypt have been further clarified. She is unlikely to press for an early solution, since Egypt can presumably enjoy the revenues in the meantime.

(d) It would seem highly unlikely that the USSR will willingly entrust the present and future economic and strategic interests of the Communist Bloc in the Canal solely to the Egyptian Government. There is no reason to assume a high degree of mutual confidence between the USSR and Egypt at the present time, and presumably the Russians consider it possible that there might be a shift in Egypt back to a less anti-Western government. In view of the crucial importance of the Canal to the West, the Russians probably do not think it possible in the near future to secure control for the Bloc behind a facade of Egyptian ownership. It would appear that the only solution for the control of the Canal to which the USSR can lend its support, which would guarantee the interests of the Bloc, which might be made to appear to satisfy the Arabs, and which would not alienate the West, would be some form of international control of an Egyptian owned waterway.

(e) Thus far, the Soviet Government has called for a convention, rather than a controlling authority. She has hinted at the need for a specific agreement on the maintenance of free navigation in time of war, and has suggested that co-operative measures to this end should be discussed with Egypt.

(f) While the nature of the Soviet solution cannot be foreseen in detail, it can be expected that the USSR will probably seek:

(i) to secure formal recognition of Egyptian ownership;

(ii) to assign the revenues to Egypt;

(iii) to minimize the compensation of the present owners by calling for graduated payments at very low interest rates;

(iv) to secure an international agreement on control;

(v) to secure as large as possible a representation for the Bloc in the conclusion of this agreement;

(vi) a settlement outside of the United Nations under present circumstances; this could easily change if negotiations break down and the British and French seem tempted to use force.

(g) In these negotiations, it may be useful to:

(i) remind the USSR that she has contributed to this situation by her equivocal policies towards Egypt in the last twelve months;

(ii) point out that her plea for the presence of those states which are successors to the Hapsburg Empire implies recognition of continuity in law and therefore has implications for the full compensation of the present owners of the Canal;

(iii) her economic and strategic interests behove her to co-operate with the international community in securing a just and stable solution, not only for the control of the Canal, but also for the just disposition of its assets.

(h) Finally, it should be pointed out that by inviting the USSR to participate in the Conference, the Western powers have done precisely what Mr. Dulles told Mr. Pearson last spring they could not contemplate — formal recognition of Soviet interest in the Middle East.[108] The Russians are, of course, in the Middle East to stay, but their right to a voice in Middle East affairs will have to be recognized from now on if the Russians are given any share in the international control of the Canal. I think it only fair to recall that we have been recommending since early this year that a frank and equitable Four-Power approach to the problems of the Middle East provided the only hope for a peaceful settlement. We must now accept consultation with the Russians after irreparable damage to the Western cause has been done, and in circumstances which can only turn to the disadvantage of the West, and to profit of the Soviet Bloc.

J. L[ÉGER]

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[108] Voir/See Document 38.

88. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET [Ottawa], August 29, 1956

Present:

The Minister of National Revenue and Acting Prime Minister (Dr. McCann), in the Chair,
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson)
The Minister of Justice and Acting Minister of Finance (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General
and Acting Minister of National Defence (Mr. Lapointe),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Northern Affairs and National Resources (Mr. Lesage).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

SUEZ CANAL DISPUTE
(PREVIOUS REFERENCE AUG. 7)

1. *The Secretary of State for External Affairs* said there was not much information that could be added to what had already appeared in the press on the Suez Canal situation. The United States and the United Kingdom were anxious that Canada announce its support for the plan recently approved by a large majority of the London conference and now about to be conveyed to the Premier of Egypt. He had discussed the matter with the Prime Minister who felt this should be done, as the plan appeared to provide a satisfactory basis for a solution to the problem.

On the whole, the situation had eased a good deal and he doubted if really serious trouble would occur. The British and the French were retreating from their original attitudes and so was Nasser. It was conceivable that the London conference committee of five, headed by the Prime Minister of Australia, might be able to negotiate a settlement with the Egyptians, although Nasser would not likely accept the plan the committee would present. One danger at the moment lay in the fact that the technicians might leave their jobs on the canal, with the consequence that it would cease to operate efficiently. The Egyptians certainly could not run it without these highly qualified personnel. Another worrisome feature was public opinion in Egypt. Already a Canadian newspaper correspondent and some diplomats had been asked to leave the country for reasons which were none too clear.

2. *The Cabinet* noted the report of the Secretary of State for External Affairs on the Suez Canal dispute and agreed that an announcement be made that Canada supported the plan of the majority of the London conference on this subject as a satisfactory basis for a solution to the problem.[109]

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[109] Voir/See James Eayrs, *The Commonwealth and Suez: A Documentary Survey*, p. 121.

89. DEA/50372-40

Le haut commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 503 New Delhi, September 1, 1956

SECRET. IMMEDIATE.

Repeat NATO Delegation Paris; London; Paris; Permis; Washington (Information).

SUEZ

Dutt, the Foreign Secretary, asked me to call on him this afternoon September 1. He said Mr. Nehru had asked him to see me about two items which had appeared in the papers here this morning. One item stated that French troops had been landed from a ship at Cyprus and from aircraft and that further landings of French troops from ships would take place soon. The other item stated that the North Atlantic Council would discuss Suez on Wednesday September 5 and that the British Foreign Secretary would be present. Mr. Nehru wondered whether there was any connection between these two developments and whether I had any news of the North Atlantic Council meeting which I could pass on to him.

2. Dutt said that he assumed that since the Suez Canal was outside the area defined in Article 6 of the North Atlantic Treaty the discussions in the North Atlantic Council would take place under Article 4 and he referred to what he called the "classic exposition" which you had given in relation to Goa of the nature of consultation under Article 4. He however drew attention to the fact that Article 6 included islands north of the Tropic of Cancer.

3. I said that because of my absence from the office until this week I was out of touch with developments and had not seen all the recent incoming tels. I was fairly certain however that we had not received any tel about the meeting of the North Atlantic Council next Wednesday. I too assumed that the discussions in the North Atlantic Council would take place under Article 4.

4. After Dutt had delivered this enquiry from Mr. Nehru, I encouraged him to talk about the Suez question. He said the Indian Government was certain from the info at its disposal that if there were an armed conflict between Great Britain and France and Egypt such a conflict could not be localized. He drew attention to the Soviet Foreign Minister's ominous reference to "volunteers" and said we had had experience of volunteers in Spain. I added "and in North Korea". Dutt said that the Indian Government believed that a resort to force by Great Britain and France would not protect the oil interests which were so important to them. The "fanatical Arabs" in such countries as Syria and the Lebanon would blow up pipelines. He emphasized that the Arab world was united with even Iraq supporting Egypt on this issue.

5. He considered that it was unfortunate that publicity was being given to further movements of armed forces by Great Britain and France just before the important negotiations were about to begin between the Menzies Mission and the Egyptian Government.

6. In his opinion the important thing was to give time for negotiation and reflection. There had been no interference so far with the traffic through the Canal. Why therefore were the British and the French giving so great an impression of urgency? One possible

explanation of why the UK was in such a hurry was that it was afraid that if negotiations dragged on for 6 months and there were still no solution of the difficulties, public opinion in Great Britain would have become more accustomed to the Egyptian action and less willing to support drastic measures.

7. I said I understood that India had been able to exercise a moderating influence in Cairo. Dutt said that the Indian task in Cairo had been most difficult. He added that he was sure that you understood that there was nothing in the stories that India had been backing Nasser's intransigence.

8. This crisis over Suez was for India an entirely different sort of matter from previous crises such as that over Korea. In the Korean crisis India was concerned because of the danger of war spreading. In Suez India has also a very direct and compelling interest because the success of the second five-year plan would be gravely endangered if there were interference with traffic to India through the Canal. The London Conference was in his opinion "the most important international conference" which India had attended.

9. Reverting to the necessity for patience in negotiations with Egypt he said that no country could be expected to accept without negotiation a proposal agreed to by a conference at which it was not represented. India on the other hand realized that other countries could not be expected to rely merely on Nasser's promises.

10. I hope you can let me have for transmission to Mr. Nehru some indication of the line which Canada will take at the North Atlantic Council Meeting on September 5.

11. Could you also let me know whether in your opinion Article 6 of the North Atlantic Treaty would cover an attack on Cyprus or on British or French vessels or aircraft in the Mediterranean considering that the whole Mediterranean is north of the Tropic of Cancer.

[E.] REID

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90. DEA/50372-40

Le haut commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1200 London, September 3, 1956

SECRET. IMPORTANT.
Repeat Paris; Washington (Information).

SUEZ

Following for Prime Minister from Pearson[110] (copy to USSEA): When we reached the subject of the Suez at our talks this morning at the Foreign Office, Selwyn Lloyd said he would like to discuss this matter with me alone, and the official therefore withdrew. I think he felt that he would like to have a very personal and very frank conversation.

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[110] Pearson se trouvait en Europe où il officiait comme président du Comité de l'OTAN chargé de trouver de nouveaux moyens pour renforcer la solidarité au sein de l'Alliance. Voir chapitre 3, 3ᵉ partie.

Pearson was in Europe in connection with his duties as Chairman of the NATO committee charged with finding new ways to strengthen Alliance solidarity. See Chapter 3, Part 3.

2. He did not attempt to disguise his worries over the present situation and I doubt whether anything I said decreased those worries. At the same time, he was satisfied that the course the UK had been following was the right one and he seemed somewhat perplexed and disappointed that certain of the moves that they had made in following this course had been misinterpreted and aroused anxieties in the minds of their friends, which he did not think were warranted. He was thinking particularly about the charge of "sabre rattling" and the suggestion that the British and the French were willing and prepared to use force. He said that they had tried to make it clear from the very beginning that they did not even contemplate force except as a last resort, and that on the contrary they were most anxious to bring about a negotiated solution. He emphasized that the military moves that they had made were purely preparatory and precautionary and that if they had been played up and misconstrued by the press that was not their fault. He also felt that public opinion in this country was pretty firm behind the Government, at which I said that I did not get that impression from reading seven Sunday newspapers yesterday.

(a) Perhaps the key to the Foreign Secretary's thinking on this aspect of the question, as well as to UK tactics, was Lloyd's remark, "The chances may be ten to one against us using military force against Egypt on this issue, but if Nasser only felt that the chances were ten to one that we would, he would be more reasonable and a settlement could be reached."

(b) I pointed out the obvious weakness of this kind of reasoning based on the efficacy of bluff, and the danger of tactics designed to put it into effect. Lloyd realized this but asserted that Nasser must be made to give way by some form of pressure, economic or political.

3. Lloyd was satisfied with, indeed he was pleased about the results of the London Conference and particularly gratified by the solidarity displayed by the 18, which was even greater than the public accounts would indicate. He also was encouraged by reports which he felt were entirely reliable that Arab leaders, no matter what they might say in public, were just about as worried over Nasser's rash moves as the British were and just about as anxious that he should not be allowed to get away with them. Lloyd said they felt in London as strongly as ever that Nasser's efforts to establish control of the Suez Canal must be defeated, and they were resolved to do everything possible to bring this about. I asked him how we thought it could be done if Nasser refused to accept the 18 report, or indeed, if he merely ignored it, would not time seem to be working in his favour? Lloyd agreed that Nasser might create great difficulties merely by doing nothing. If he refused to accept the London proposals Lloyd's own view, and he told me this in the greatest possible confidence, was that they should take the matter immediately to the Security Council. Even if the Russians vetoed a British-American-French Resolution there it would get a majority vote and would establish a firm UN basis for any further action. Lloyd felt that any such further action would probably have to take the form of economic pressure unless there was direct interference with British shipping or British nationals by the Egyptians, or unless the operation of the Canal broke down completely, in which case other methods of more direct intervention might have to be attempted.

4. Lloyd was worried about the breakdown of the operation of the Canal consequent upon the resignation of pilots, something which he felt could not be postponed much longer. He said that this contingency was equally worrying to India and other Asian countries for whom the operation of the Canal was so important.

5. I told Lloyd that I thought the reference of the matter to the Security Council by the UK would be favourably received in Canada where we were particularly preoccupied with

two aspects of the question: (1) that the UK and the others might act without reference to the procedures of the UN; and (2) that the British and French might not be able to carry the Americans along in any course which they proposed. Lloyd did not seem particularly worried about this latter possibility and felt that Dulles and the administration were just as determined as the British to prevent Nasser exercising sole control over the Canal. Lloyd also wondered whether, if things dragged on, Israel might not take advantage of the situation by some aggressive move against Egypt. He seemed to think that this might help the UK out of some of her more immediate difficulties, but agreed with me when I said that the long range results and, indeed, even the shorter range results of such action would be deplorable and dangerous. Such action by Israel would certainly consolidate Arab opinion behind Egypt, and even Arab leaders who might now be worrying about Nasser's moves would have to rally behind him.

6. Lloyd was very critical of the part played by Krishna Menon at the recent conference where he had ended by "making a fool of himself". He apparently left London very resentful, a feeling which is based, according to Lloyd, largely on the consciousness of the bad part he had played. He had succeeded in identifying the Indian position with that of Russia, which was not Indian policy. If he had been clever, said Lloyd, he would have waited for the Russians to declare themselves and then offered compromise proposals somewhere between the Russian and the British-American-French position. India then would have been able to maintain her position in the middle out of which Shepilov had been able to manoeuvre her by Krishna Menon's inept tactics.

7. They expected here that the Menzies' Committee would have completed its talks with the Egyptians in a day or two and that they might then be confronted with a situation which would require important decisions.

8. The impression I got from my talk with Lloyd, not only on the Suez matter but on the circumstances surrounding the meeting of the NATO Council on Wednesday, is that the UK Government are not being very skilful in their management of these international problems, even when the policies they may be pursuing are the right ones. Lloyd, for instance, seemed quite surprised when I told him that the manner and place of the announcement that the NATO Council would discuss the Suez question, made from London rather than from NATO in Paris was the wrong way to proceed and that it was bound to create unfavourable impressions in certain quarters. He said that it was purely accidental that it came from London because he had been discussing the possibility of the Council putting the subject on the agenda with Ismay that day and, therefore, the decision was given out here rather than by NATO in Paris. He had no intention of giving any impression that the UK were summoning the Council.

9. The same lack of skill seemed to have been shown in the way the earlier British troop movements to the Middle East and the recent despatch of French troops to Cyprus were explained or, rather, were not explained to public opinion. There seems to be a lack of imagination and skill on the part of those who are concerned here with the public relations aspect of UK policy moves. The results are often perplexing for the friends of the UK and indicate, it seems to me, a lack of direction and no sureness of touch. There was another example of this in our talks this morning when we got on the subject of NATO Defence Policy.[111] As you know in June the British were very excited over the necessity for an immediate reassessment which would rationalize certain changes which they thought were required in regard to their NATO defence contributions. Lloyd seemed unworried about

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[111] Voir/See Document 550.

this matter during our talk today and was calm about the probability that there would be no real decisions or even any serious discussion of the problem by NATO until the December meeting.

10. I hope I am not being unfair to people here or unduly pessimistic when I say that my impression is that events in the international field are pulling the British Government with them rather than being influenced and directed by that Government. Ends.

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91. DEA/50372-40

La délégation auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Delegation to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1425 Paris, September 5, 1956

SECRET. IMMEDIATE.

Repeat Washington; London; Paris (Information).

NORTH ATLANTIC COUNCIL MEETING, SEP 5/56

I made the following statement on the Suez situation at the meeting this afternoon. In accordance with the arrangement reached at the end of the meeting it should be treated as strictly confidential and I am saying nothing about it to the press here, not even that I took part in the discussion. It may, however, be of some importance as a statement of Canadian policy to the Council and therefore I am sending it in full, apart from the introductory observations which dealt with the propriety and value of political consultation of this kind; in receiving a report from the Chairman and other participants in the London Conference on a matter of such importance to all members of NATO. I expressed gratification that the accident of my presence in Paris on other business enabled me to be present at the meeting and to take part in the discussion. Statement begins:

While Canada did not come within the criteria, the very reasonable ones, laid down as a basis for an invitation to the London Conference — and we had no complaint on that score — we were very conscious of the importance of the problem created by the sudden and arbitrary seizure by Egypt of the control of a waterway which was under an international régime, and we were aware that though geographically remote from the Suez we could not escape the consequences of the failure to find a satisfactory solution for that problem through those peaceful means to which we were pledged as signatories both of the UN charter and the NATO pact.

Certainly we don't underestimate the seriousness of this problem — especially for countries like France and the UK for whom it is, in fact, of vital importance.

Though we have heard a lot and will hear more about the issue in terms of nationalism, colonialism, imperialism, etc., the problem is the concrete one of ensuring the efficient, impartial and non-political operation of the Canal in the interests of all those who use it — especially of those for whom it serves a vital economic and transportation purpose.

Because this is our understanding of the problem the Canadian Government welcomed proposals of (group corrupt) Governments and have already stated publicly our support for them.

We also welcomed Colonel Nasser's decision to talk with the five-member committee representing the 18, from five continents of the world, even though we had and have no optimistic illusions about the certainty of success of these talks. The fact that this group of five is trying to find out merely whether Egypt will negotiate a convention on the basis of the 18-Government proposal is sufficient denial of the suggestion that the Egyptian Government is being confronted with anything in the nature of an ultimatum.

We feel that the 18-Power proposal is reasonable and satisfactory as a basis of negotiation. It respects the sovereignty, interests, and even the susceptibilities of Egypt. It provides adequately for safeguarding and preserving the international character and use of the Canal through cooperative international arrangements to be appropriately associated with the UN.

We appreciate the view of the users of the Canal that the efficient and non-political operation which is essential can, in present circumstances, be assured only through agreed international arrangements which would minimize the possibility of interference — political or economic — and prevent its exploitation by any single state — including the state through whose territory the Canal runs.

We understand and appreciate the desire of Egypt to safeguard its sovereignty and its national interests and dignity. We do not think that the proposal of the eighteen powers infringes on either.

If the present negotiations in Cairo fail or, more likely, if they are inconclusive and Egypt merely takes note of the proposals without doing anything about them, we inevitably ask ourselves, what then? It is a worrying question.

We must, I think, rule out force. I say that not without qualification because otherwise we would not be spending between 40 percent and 50 percent of our budgets on defence. But we must rule out force except as a last resort and use it only in accordance with the principles we have accepted in the NATO Pact and the UN Charter.

If the negotiations in Cairo fail, what political action can be taken? Where should it be taken? at the UN? — And how? I feel myself that a majority opinion at the Security Council — even if it is vetoed there — as it would be — might be an important and valuable support for subsequent negotiations or action.

Another question: what, if any, form of economic action is possible or is contemplated, which might bring pressure on Egypt for the conclusion of a satisfactory arrangement, and which would not do more injury to those imposing the sanctions than to those against whom they are imposed?

In this connection I have listened with great interest to Mr. Spaak's views that we should refuse to accept the Egyptian action as a fait accompli. This involves, I suppose, the application of the doctrine of non-recognition with which we have had some experience in recent years in other contexts; non-recognition and non-payment of dues.

Finally, there is the question, the dangerous implications of which Mr. Pineau has emphasized — what happens if the operation of the Canal breaks down before a settlement is reached; or if non-Egyptian personnel are interfered with in their desire to leave their duties at the Canal?

I can ask these questions but I can't answer them. I am, however, glad to know that those Governments who are most concerned with this matter are seeking the answers with a sense of responsibility — national and international.

I can only add in conclusion that my own Government will support them in their political and diplomatic endeavours designed to bring about an international solution which will recognize the vital importance of this waterway to them and, indeed, to all States. Statement ends.

L.B. PEARSON

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92. DEA/50372-40

La délégation auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Delegation to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1443 Paris, September 7, 1956

SECRET

Reference: New Delhi Tel 503 Sep 1.

SUEZ

It would, I think, be desirable, if you have not already done so, to send Escott Reid info regarding the Wednesday meeting of the NATO Council, which should reassure the Indians. There was no effort to rally the Council behind any recent British or French moves and, indeed, Selwyn Lloyd specifically disclaimed any such purpose. The Indians have, of course, no reason to complain that the Chairman of the London Conference, representing a NATO country, should report to the Council on a matter of such great importance to all NATO members.

2. I hope that the Indian Government will also realize that whatever influence we have been exerting is on the side of moderation, negotiation, and no use of force which could not be justified under the UN Charter. In this connection it might be desirable to send Reid a copy of my remarks at the Council meeting. It would, however, be wrong to give the impression to the Indians that we are not whole-heartedly supporting the international solution embodied in the proposal of the 18 members of the London Conference for the reasons which we have already indicated.

L.B. PEARSON

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93. L.B.P./Vol. 37

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 1654 Washington, September 12, 1956

SECRET. IMMEDIATE.

Repeat London; Paris; Nato Paris; Permis New York (Information. Immediate).
By bag Canberra; Wellington; Moscow; Karachi; Athens; Cairo; Pretoria; Colombo; Ankara; Tel Aviv; Beirut.

SUEZ CANAL

I saw Mr. Dulles this morning, September 12, and asked for his personal appreciation of developments with respect to the Suez Canal, for transmission to the Prime Minister and Mr. Pearson. Dulles quickly accepted the opportunity and spoke almost without interruption at some length giving every evidence of having this problem uppermost in his mind.

2. Mr. Dulles said that with the failure of the Menzies' mission to secure Egyptian cooperation, the UK and France had seen no alternatives but resort to force on the one hand, or complete capitulation to Nasser on the other. Dulles added parenthetically that he didn't think that his colleagues had tried very hard to find another course of action. In these circumstances, Dulles said he devoted all his personal attention to developing a "makeshift arrangement" which would provide an intermediary route between the alternatives of force and capitulation. He said, with an obvious degree of pride of authorship, that he had devised the scheme of a "users' association". It would ideally be a group comparable in membership to the 18 Nation Conference. Dulles said he developed the idea with the hope that the association would provide a way of obtaining Egyptian cooperation on a *de facto* basis when it seemed that no scheme could produce Egyptian cooperation on a *de jure* basis.

3. It was his idea that the users' association would serve to keep the London Conference group together as a cohesive body to deal with practical matters and even some political matters. Nasser might find it possible to cooperate with the users' association at the working level without being forced to agree formally to the bonafides of the body. Dulles believed that the association could take over as the employer of the pilots; it could be the authority setting the traffic pattern through the Canal; and it would be the "collecting agent" for tolls. It would use the money coming into its hands to pay the pilots and other expenses and to recompense Egypt for expenses which it might incur in the operation of the Canal. The continued employment of the pilots was a worrying problem. The USA would not let its boats go through the Canal "if the Egyptians attempted to put Soviet pilots, for example, on our boats". It was to be hoped that Nasser could agree on a *de facto* basis to the association's control of pilots. As far as the USA was concerned, USA ships would be required under a Treasury regulation to pay tolls to the new association and to cease payment of tolls to the Egyptian authorities (which we understand is now being done under protest).

4. Dulles said that the UK and France had accepted his scheme reluctantly. (In a conversation which I had this morning with Makins, the UK Ambassador emphasized the UK conception of this proposal as a "completely Dulles" scheme). Dulles went on to say that the scheme "did not abound in intrinsic merit" but it could, in his estimation, provide some middle ground for a provisional solution. He said he had been assured that the UK and France were "prepared to act" on September 15. His scheme had had enough merit to induce the UK and France at least to delay in the taking of military measures.

5. At the same time as the users' association scheme was being developed, the USA was considering with the UK and France what to do if the device failed. The UK and France had intended to bring the subject to the UN, in a procedure which he, Dulles, described as "cockeyed". He had no objection to going to the UN with a good case and in the right way. The UK and France had, however, put forth "the novel idea to me" that through the Security Council they could force Egypt to make a new treaty; and if Egypt refused, could hold that refusal as an act of aggression within the terms of the Charter. Their idea, according to Dulles, was to require Egypt to accept the 18 nations' proposal and to treat the expected Egyptian refusal as a threat to the peace. When the French Ambassador had contended that

France would thereby obtain "liberty of action" Dulles had reminded him that France's liberty of action was already circumscribed by the Charter of the UN; the Security Council could not, under any circumstances free France of its obligations thereunder. Dulles had said that he could not commit the USA to oppose an amendment ruling out the use of force (which could be expected) to any such approach to the Security Council. As a result, only yesterday, the UK and France had decided not to go to the Security Council. Dulles said that the UK and France had, within the last hour, submitted a note to the Secretary General of the UN drawing attention to the unlawful seizure of the Canal by Egypt, reporting the failure of the London Conference, and stating that the present situation was considered to be a danger to peace and security. The note, as you will have seen, did not request a meeting of the Security Council.

6. Dulles said he was not sure how the users' association scheme would be portrayed by Eden in his presentation to Parliament. If it was interpreted as a punitive action against Egypt, the scheme would in all likelihood fail. If it was presented as another step to attempt to bring about the practical operation of the Canal, leaving the door open for broader negotiation, it might work.

7. In response to my question, Dulles said that the UK might station one or two naval vessels at each end of the Canal to serve as a central point for handling traffic and pilots if the Egyptians refused to allow the pilots to operate from Egyptian soil. The UK was entitled by treaty to station ships at Port Said and Aden.

8. Dulles believed that if his scheme was unsuccessful, the breakdown was likely to come as a result of physical obstruction by Egypt of the passage of ships through the Canal. Then there might be a case to be taken to the Security Council, on the grounds that the 1888 Treaty had been contravened. This would be quite a different state of affairs than would have applied if the UK and France had gone to the Security Council as they had intended. If such a breakdown did occur, Dulles said "We won't fight our way through the Canal". He said the USA would re-route its tankers around the Cape.

9. Dulles said a plan was in existence to increase oil production in this hemisphere. It was possible in the short run to provide the volume of oil needed to replace that lost if the Canal were closed, and to provide transportation for it as well. There had been "very preliminary discussions" with the British and the French as to the strain which such a plan would put on their dollar reserves. It might be possible to provide export-import bank loans to tide over the immediate situation. In the long run Dulles believed there was bound to be a serious exploration of alternatives to the use of the Canal. Large tankers were already being built which would make the Cape route economic. Nasser's action would certainly cause second thoughts about pouring more money into the development of the Suez.

10. Dulles ended our interview (his guest list was full) with brief references, at my request, to the attitude of other Arab countries, and Israel. He said it was possible to detect on the part of Iraq and Saudi Arabia "great concern" at Nasser's activities. On the other hand leaders in these two countries were unwilling to split publicly with Nasser for in such a circumstance they believed "they and not Nasser would lose". Syria was "in the Egyptian pocket". Dulles believed that Syria would cut off its oil output if force were used to bring Nasser to terms, but might be prepared to maintain the supply of oil even if tankers were diverted around the Cape. The Israelis were "getting tougher" and there was some sign that they would attempt to exploit the present situation for their own end. He said that Secretary General Hammarskjöld was very angry with the Israelis for their failure to cooperate with

his mission and was thinking of filing a tough report against them. Dulles' brief mention of our F86 problem will be dealt with in a separate message.[112]

11. As I was leaving his office, I suggested that the Soviet Union were probably delighted at the embarrassment which had been caused to Western countries in the Middle East. Dulles agreed that this indeed must be the case. I regret that it was not possible to explore this matter further for I have the impression that in much that is being thought of and done in Washington, officials are looking over Nasser's shoulder at the Russians and in whatever manner they can are tailoring their suggestions to the end of delimiting as much as possible the obvious Soviet gains in the area.

12. Dulles is to have a press conference tomorrow when the Suez may be expected as the principal subject to be raised.

[A.D.P.] HEENEY

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94. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], September 13, 1956

Present:

The Minister of Trade and Commerce and Minister of Defence Production
  and Acting Prime Minister (Mr. Howe) in the Chair,
The Minister of National Health and Welfare
  and Acting Secretary of State for External Affairs (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance and Acting Minister of Citizenship and Immigration (Mr. Harris),
The Minister of Northern Affairs and National Resources (Mr. Lesage).

The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

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SUEZ CANAL DISPUTE
(PREVIOUS REFERENCE AUG. 29)

6. *The Acting Prime Minister* reported that the United Kingdom had expressed the hope that Canada would give public support to the plan, announced in the British House of Commons by Sir Anthony Eden yesterday, for the establishment of an international association to protect the rights of the users of the Suez Canal. The matter had been discussed by telephone with the Prime Minister who felt it would be desirable to say that the Canadian government was not in a position to comment at the moment but that the question was being studied carefully.

7. *Mr. Martin, as Acting Secretary of State for External Affairs*, said that, after the Menzies mission to Cairo had failed, the U.K. and France were reconciled to having the dispute referred to the Security Council. However, the United States was opposed to this course because it would not support — and the President had thus stated — any effort of the U.K.

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[112] Voir/See Document 67.

and France to persuade the Security Council to sanction the use of force. By referring this matter to the council at this stage the U.K. and France hoped to avoid a discussion in the General Assembly later when there was bound to be a wide measure of support for Egypt. This appeared to be unrealistic as the problem would likely be raised by Egypt or some other country.

In the circumstances, the U.S. Secretary of State had proposed the users association as an interim arrangement. The founder members would include the U.K., France, and the U.S., with other user countries invited to join. The association would co-ordinate traffic, provide pilots, collect dues and pay Egypt an appropriate amount for the facilities she provided. Sir Anthony had adopted this plan and announced it in a provocative speech in Parliament. Beyond what was already public, and some information which the Canadian Ambassador in Washington had been able to gather from an interview with Mr. Dulles, was about all that was known of the arrangements. Furthermore, there was no indication of the views of other principal users such as Sweden, who had supported the majority plan presented to Nasser by the Committee of Five.

Officials in External Affairs suggested that, if asked to comment, and they were being asked, a statement might be issued indicating that the plan was being studied, that further information about it and the views of the principal users were being sought and that, in the circumstances, it would be premature to comment.

8. *During the discussion* the following points emerged:

(a) The form of announcement suggested would only lead to undesirable speculation as to what Canada's attitude might ultimately be. Obviously the user plan would result in serious division in the western world and, in the circumstances, it would be desirable at this time to say no more than that the matter was being carefully considered.

(b) United States policy was most unfortunate. In effect, the Americans insisted that the U.K. and France agree to a U.S. proposal which, in the end, the U.S. would not help enforce. Mr. Dulles had tried to justify his plan by saying that if it were resisted the British and French would be in a much better position than they would otherwise be to argue their case in the Security Council.

9. *The Cabinet* noted the reports of the Acting Prime Minister and the Acting Secretary of State for External Affairs on the plan announced by the U.K. Prime Minister for the creation of an association to protect and implement the rights of the users of the Suez Canal, and agreed that it should only be said that the Canadian government was studying the situation closely.

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95. L.B.P./Vol. 37

L'ambassade en France
au secrétaire d'État aux Affaires extérieures

Embassy in France
to Secretary of State for External Affairs

TELEGRAM 650 Paris, September 14, 1956

SECRET. MOST IMMEDIATE.

Reference: Washington Tel 1654 September 12.

Repeat London; Washington; Nato Paris; Permis New York.

SUEZ CANAL

I have read with much interest and some surprise tel 1654 from Washington. Lange, the Norwegian Foreign Minister, had lunch with Guy Mollet yesterday, who confirmed the info in the above tel that the proposal put forward on Wednesday by Eden in London was indeed Mr. Dulles's "brain child", and that this was one of the reasons why even the French and the British were still uncertain about many of its details. The French Government, however, seems as resolved as the British to see the matter through, even if as a last resort, force has to be used. In fact, Lange got the impression from Mollet that a main reason for French firmness in this matter was not only the necessity of international control of the Suez, though that was of great importance, but also — or even more — the desirability of inflicting a defeat on Nasser which would result in his disappearance and give other Arab states a chance, which their rulers would like to take, of withdrawing from the wrong kind of Egyptian leadership. Mollet also indicated to Lange that the French would not flinch from sending a warship through the Canal with a French merchant vessel if the Egyptians obstructed passage.

2. There was an informal meeting today of Lange, Martino, Beyen, Birgi, Secretary-General of the Turkish Foreign Office and myself when we exchanged views on the new Suez proposal, which had taken everybody completely by surprise. While the four of them were upset by the suddenness of the move and the lack of consultation, especially the Italian and Norwegian Foreign Ministers, who were distinctly irritated, reactions on the merits of the proposal varied. The Turk, while anxious about the effect of this latest move on opinion in Asian countries and about the increased difficulty of keeping Iran and Pakistan in the 18, felt that the paramount consideration was common action in that group which should stand and work together. I got from him the impression that Turkey would go along with the London proposal and do her best to persuade Pakistan and Iran to do likewise. Beyen also, though having doubts about the practicability of the new scheme or its operation without the use of force and a head-on collision with Egypt, did not seem as worried by that prospect as Martino and Lange were. Martino said that his Government was most alarmed about developments. He himself could not find any legal or sound political basis for the Anglo-French-American proposal. He was sure that the Italian Government would not join the users' association, or even announce its support for it without very careful consideration indeed. Lange took the same view and has been instructed by his Prime Minister to return to Norway over the weekend where the matter is to be discussed by the Cabinet. He told me that the Danes and Swedes were equally perturbed.

3. All agreed, and I share their agreement, that in default of the unlikely submission of Nasser, the new arrangements can hardly be put into operation without some kind of clash occurring. As Beyen put it: "They won't work, but they probably aren't meant to work."

4. I do not myself get too much comfort out of Wednesday's developments in London and I would be glad to get your opinion of them. I am surprised at Dulles's rather optimistic conclusion that the new proposal is a satisfactory make-shift until something better can be worked out and that Nasser may be persuaded to cooperate, at least in a form which would keep the traffic going. Nor do I share his view that a submission to the Security Council at this time would have been "cockeyed", and I am not impressed by the argument that any resolution proposed would be amended to exclude the use of force in a way which would necessarily be embarrassing. As a matter of fact, any such resolution on our side from the beginning should include a provision against the use of force except in conformity with the principles of the UN Charter. There is, I think, a real danger of a split developing between the USA and the British and French on the presentation and the application of the new proposal. Mr. Dulles, for instance, may think that Eden has put it forward in too

forceful a way in London. The USA Government may be able to divert American shipping around the Cape if there is trouble — as Dulles proposes — but that may well be interpreted over here as a weakening of a scheme of which he was the main author, with the British and French left to deal with Egyptian obstruction by other and more positive means. If these means require force then most of the 18, even if they have remained together up to that point, will I suppose follow Dulles and the front will collapse.

5. These are some random thoughts put down without much time for consideration. I thought I had better send them along at once.

L.B. PEARSON

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96. L.B.P./Vol. 37

La délégation auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Delegation to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1520 Paris, September 17, 1956

SECRET. IMMEDIATE.
Repeat London; Washington; Paris.

SUEZ

You will be receiving a separate report† on the Suez discussions at Saturday afternoon's WEU meeting. I had thought of attending myself as the Canadian observer when I learnt that the European ministers would be raising the matter with Lloyd. But I decided against it as I didn't think that we should appear to be politically associated in any way with these new Suez developments until either we have been formally invited to attend a conference on the subject and have accepted, or until we know more about the latest users' proposal than we do now and, on the basis of that knowledge, feel we should officially consult with the British and others regarding it.

2. I do not think that we can dismiss the possibility of Canada later being asked to join the users' association and, of course, it is hoped both in London and Paris that we will publicly support it in any event.

3. I think, however, we should be very careful in this interim period in saying or doing anything which would give the impression that Canadian association or support is something that can be taken for granted.

4. Selwyn Lloyd casually mentioned to Wilgress on Saturday afternoon after the meeting that he assumed that I would be in London next Wednesday and Thursday when the latest Suez Conference is being held. I have, however, no intention of leaving Paris for any such ambiguous purpose, as Robertson can get all the info regarding developments and details, and my presence in London might be misinterpreted. If, however, we were formally invited to the conference, which I suppose is unlikely, a different situation would arise. Any such invitation would have to be carefully considered. But even if it were accepted, we should, I think, make it clear that acceptance does not imply automatic membership in the users' association; an implication that I know is already worrying Italy and the Scandinavian States.

5. In any event, as Lange and Martino will now be away from Paris for much of next week, it is all the more important that I should stick to my NATO job here.

6. The more I think of this users' association proposal the more sceptical I am about either its practicability or wisdom. I still feel that it would have been better to have gone to the Security Council, and I wouldn't be surprised if the British and French do not soon regret that they rejected that course for this dubious Dulles proposal which can't work without some form of Egyptian technical, if not political cooperation, which does not seem to be forthcoming.

7. In any event, what is the next move? Force, without USA support or approval, or an appeal to the Security Council for some backing for this latest proposal which, as I see it, though I confess I don't see it clearly in the absence of details, will be more difficult to advocate or defend than the earlier 18-power proposal.

8. I am keeping in close touch with Robertson by telephone. You know of his anxieties. I share them.

L.B. PEARSON

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97. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

NO. 37 Ottawa, September 24, 1956

SECRET

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PART A

I. THE MIDDLE EAST

1. *The Second Suez Conference and Related Developments in the Canal Dispute*

COMMONWEALTH & MIDDLE EAST DIVISION: Representatives of the eighteen governments which endorsed the proposals submitted to the Egyptian Government by the Menzies Mission met in London from September 19 to September 21, to consider the Suez situation in the light of the report of the Committee of Five and subsequent developments. The principal item of discussion was the proposal, agreed among the United Kingdom, France and the United States and announced on September 12 by Sir Anthony Eden, for the establishment of a Suez Canal Users' Association. Delegates from several of the eighteen states expressed apprehensions about the practicability of the plan, and indicated that they would have preferred taking the matter directly to the United Nations. However, a considerable measure of support for the proposed Association ultimately emerged from the meeting and a declaration providing for its establishment was drawn up. The general objectives of the Association, as defined in the statement issued at the conclusion of the conference, are "to facilitate any steps which may lead to a final or provisional solution to the Suez Canal problem; to further cooperation among the governments adhering to it concerning the use of the canal; to seek the cooperation of the competent Egyptian authorities, pending a solution of the larger issues, and to deal with such problems as would arise if the traffic through the canal were to diminish or cease." It was agreed also that the Association should begin to function as soon as possible, after the delegates to the conference had had an opportunity to consult their respective governments. To this end, a third meeting of the user nations is scheduled to be held in London on October 1.

In their final statements at the second Suez Conference, none of the delegates rejected the idea of setting up the Users' Association. Representatives of the United States, United Kingdom, New Zealand and Australia expressed definite approval. Delegates from France, Italy, Denmark, Norway, Turkey, Germany, Holland, Spain and Portugal undertook to recommend the proposal to their governments. The Ethiopian and Swedish representatives agreed to submit the scheme to their governments, with some measure of support. The delegates of Japan, Iran and Pakistan avoided commitment as to what they would recommend to their governments. The statement issued at the conclusion of the second Conference took note of the fact that the governments of the United Kingdom and France on September 12 had informed the United Nations Security Council of the Suez situation, and said it was the view of the Conference that recourse should be had to the United Nations whenever it seemed that this would facilitate a settlement. Two days after the close of the meeting, on September 23, the United Kingdom and France decided that a reference to the Security Council should be made at once. They requested the President of the Security Council to call a meeting of the Council for September 26, to consider the following item:

> "The situation created by the unilateral action of the Egyptian Government in bringing to an end the system of international operation of the Suez Canal, which was confirmed and completed by the Suez Canal Convention of 1888."

The Egyptian Government subsequently registered with the President of the Security Council a protest against the actions of "certain nations, particularly the United Kingdom and France," in the Suez controversy. It was the Anglo-French hope that the meeting of September 26 would be purely procedural, and that substantive discussion of the question would not take place until October 2, by which time the Suez Canal Users' Association would be established.

(CONFIDENTIAL)

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98. DEA/50372-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 744 New York, September 24, 1956

SECRET. CANADIAN EYES ONLY.
Reference: Our immediately preceding tel.†
Repeat London; Washington; Paris; NATO.

SUEZ SUPPLEMENTARY ASSESSMENT

In view of recent developments we are less hopeful now than we were earlier about the chances that the Western Powers can win a favourable response from the Afro-Asians in any UN consideration of the Suez question. Unfortunately events since our earlier assessment have tended to drive the Afro-Asians closer to Nasser. I have in mind the following:

(a) The UK and France have maintained the threat of military force, even though it has become clear that the US and other members of the "users" group are opposed to force.

Parliamentary debates and press comments in the UK and France have shown, moreover, that the threat of force has not nearly the backing it was earlier supposed to have. In these circumstances the Anglo-French tactics have understandably failed to impress Nasser (in particular during the visit of the Menzies mission to Cairo) and, perhaps, only served to harden Afro-Asian opinion against the UK and France. (In a UN context the Latin Americans, too, might be expected to react unfavourably to this and other forms of coercion.)

(b) In the process of negotiation Nasser may have appeared more flexible than his adversaries. The broad opinion among the Afro-Asians has been to regard him as an underdog ready to negotiate all save his country's honour. This "heroic" stand against powerful "white imperialists" is a situation hand-made for the applause of Asia and Africa. There the vast majority would agree that Egypt today could never accept Western proposals like Dulles' users association, certainly in its original form. As long as the suggestion remains that outside powers are striving to dominate the arrangements for running the Canal, Nasser can expect to hold popular support in Afro-Asian countries.

(c) Support will be all the stronger if the Egyptians can keep the Canal open. Afro-Asian admirers will not look for long-range results, like the much needed improvement of the Canal. As long as Egypt is able to maintain the present strenuous efforts, which are deserving of admiration, to run the Canal, the Afro-Asians will take pride in the success. Chaos in the operation might, however, rapidly reverse the trend when the impact hit the Afro-Asian economies.

2. Notwithstanding the foregoing we continue to see merit in having the Canal issue discussed in a UN forum. Here the Western case can be heard at first hand by representatives of all governments concerned. Here the real issues and difficulties could be exposed fully. In a UN context a plea for international law and order would have much stronger effect than in a narrow contest between disputants. The Afro-Asians, in particular, must be made to see what is really at stake. Given a careful explanation, they might do so in the atmosphere of the UN.

3. This opinion presupposes, of course, that the Western Powers will have reached agreement on clear-cut objectives. These objectives must be consistent with present-day political facts in Asia and Africa. They would be something short of those which the Western Great Powers have been variously pursuing in recent weeks, such as the virtual reversal of the Egyptian nationalization order, the downfall of Nasser and a return to international control of the Canal. The main effort must be directed toward international supervision rather than control. If an international board is contemplated, it should have advisory, consultative and supervisory capacity rather than managerial power. The emphasis in presentation should be that this international body is required to assist the Egyptians to run their Canal in the interests of Egypt and the countries whose shipping uses the Canal. Although there is undoubtedly a balance of right between user and owner, for the purpose of selling internationalization to Egypt and to the Afro-Asians surely the emphasis should be allowed on the right of ownership.

4. The Western Powers should get rid of the idea that Egypt is to be "hauled into court" for its part in the Suez crisis. Nasser's refusal to cooperate with the users association, whatever the legalities of the matter, is unlikely to be accepted generally in the UN as a pretext for condemning Egypt. There has been too much provocation on the other side; too much appearance that might is right. The Egyptians and their close friends (USSR and Yugoslavia on the Security Council) might easily turn the debate into a counter condemnation against the UK and France. In these circumstances the seven safe votes which the West usually counts in the Council might not prevent a practical defeat for the West, espe-

cially since the UK and France might consider that as parties to the dispute they should remain aloof from the voting.

5. All this suggests that the appeal to the Council should be carefully presented. Our view has been that it should be made under Chapter VI, Articles 34 and 35. It should involve an investigation of a situation which has led to international friction and given rise to a dispute. The aim should be to seek a solution to the problem of operating the Canal for international benefit under the new management. The right of ownership should not be open to question nor the right of the users; these should be assumed. The fundamental question would be how to reconcile these two rights. One interim solution might be to set up a committee or commission to explore with the parties the possibilities for reconciliation. This commission would be required to report back to the Council. There might also be some interim arrangement for the operation of the Canal, such as a body of technical personnel representing both sides. This would be a reasonable and practicable UN approach and the one most likely to win support. It would preclude threats of coercion and any kind and threats of retaliation on the part of Egypt.

6. Proposals of this kind may be quite unpalatable to those who have been thinking in terms of an imposed solution, either reoccupation of the Suez Canal zone or the economic strangulation of Egypt. Neither of these is likely to produce even temporary benefits for the West and the first might easily result in the most appalling consequences. To restore the Western position in the Middle East, a position which had deteriorated sharply even before Nasser's nationalization order, the Western Powers will be required to make some major readjustment in their thinking and their policies. Even if this means that some of them suffer some loss of face, it might not be too disastrous in the long run. I am not too impressed with the prophesied horrors of letting Nasser boast about his success. The Hitler analogy which is going the rounds is out of all proportion to the facts of life in the Middle East. Nasser's grandiose schemes have produced little tangible result and he is running out of scapegoats. There are recurring reports that even some of his close supporters, at home and abroad, are beginning to worry about his antics. The kind of UN debate, which I hope will result from the Council's consideration of the Suez issue, might well circumscribe Nasser's hasty seizure of the Canal and encourage those Egyptians, Arabs and other Afro-Asians who have cause to fear the direction in which Nasser's ambitions have been carrying him.

[R.A.] MACKAY

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99. DEA/50372-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 755 New York, September 25, 1956

SECRET. IMPORTANT. CANADIAN EYES ONLY.
Reference: Our tel 743 September 24.†
Repeat London; Washington; Paris; NATO.

SUEZ

Today Murray spoke to a number of officials and as a result we gained a clearer picture of what the UK and France hoped to achieve by bringing the Suez question to the Security Council. I regret to learn that their objectives, at least for the moment, are rather limited and not likely to lead to an early solution to the problem of keeping the Suez Canal in efficient operation.

2. Keeble of the UK Mission stated that the immediate objective is to have the Council inscribe the item exactly as presented in the Anglo-French submission, that is, "situation created by the unilateral action of the Egyptian Government in bringing to an end the system of international operation of the Suez Canal, which was confirmed and completed by the Suez Canal Convention of 1888" (Document S/3654 of September 24). The UK Mission is most anxious to avoid any change in this wording; they wish particularly to avoid any attempt to have the item stated in more conciliatory terms. As you may be aware, the Egyptians have asked for an urgent Council meeting to consider an item which is as strongly anti-UK and France as theirs is anti-Egyptian. The UK expect that the USSR might endorse the Egyptian item. There is the danger that a procedural debate on what the item should be called might result in a proposal to inscribe the item merely as "the Suez question". The UK would be opposed to this result.

3. Fourier-Ruelle of the French Mission stated that the immediate aim of substance was to obtain a Security Council endorsement of the Eighteen-Power position as conveyed to Nasser by Menzies and including the subsequent proposal for a users association. To achieve this aim it was necessary to obtain the Council's agreement to inscribe the item precisely as stated in the Anglo-French letter of September 23. Fourier-Ruelle said that France had not been too keen about submitting the question to the Security Council but that the UK "for internal political reasons" had insisted upon doing so. He believed that the Anglo-French submission would be supported by the necessary seven votes in the Council.

4. Hill of Australia stated that the forthcoming meetings of the Council were to be a "bashing session", in which Egypt was the intended victim. He stated that in meeting with friendly members of the Security Council Dixon had been urging that the Western Powers should "go in with flags flying". The object was to show Nasser that the Security Council strongly disapproved of his "unilateral action". Hill suggested that ultimately it might be desirable to try to work out a solution through UN machinery but for the time being it was essential to "bash" Nasser. He admitted the force of our suggestion that a "bashing session" now might render difficult if not impossible a UN solution later. He said in strict confidence that Menzies and Casey were sharply divided on how the matter should be dealt with in the Security Council. Menzies wished to follow a tough line; Casey and his department wished to pursue a UN solution. As a consequence the Australian Mission was not sure how it would act in tomorrow's meeting.

5. We had no opportunity to discuss the situation with the USA Mission. I gathered from speaking to others, however, that the USA was not very happy about the line the UK and France were pursuing. Dulles was said to be in favour of a conciliatory debate aimed at reaching eventually a UN solution. It was suggested, for example, that the USA might be prepared to modify the item to be inscribed to some middle form like "the Suez question". The USA position could of course have an important bearing on the attitude adopted by others, like China, Cuba and Peru.

6. This morning the position of the USSR was only a matter of speculation. UK, French and Australian officials assumed that the USSR would oppose the inscription of the Anglo-French item and try to have it modified. The USSR could also be expected to oppose any

resolution on substance endorsing the Eighteen-Power position. Iran was expected to oppose inscription of the Anglo-French item but to do so in a moderate manner; Fourier-Ruelle was confident that Abdoh could be counted upon to play his difficult role well. Yugoslavia was expected to press for the inscription of a more conciliatory item.

7. Anglo-French opinion seemed to be that the other eight members of the Council would vote to inscribe the item as proposed by the UK and France and that a majority of at least seven votes could be counted upon throughout the Council's deliberations. This assumed that the USA position would ultimately be closer to the UK and France than indicated now. The majority of seven or eight could be depended upon to defeat the inscription of the Egyptian item. It was less clear whether a possible Soviet proposal to exclude the use of force, at least during the time when the Council was considering the matter, could be blocked.

8. Today the UK Mission, which is directing the present manoeuvre, has been working hard to win the full support of at least seven Council members. Because of the uncertainties which I have mentioned it is by no means a sure thing that the procedural debate will be concluded at the meeting tomorrow afternoon. The French expect a further meeting on September 27. If all goes well the UK and France hope to begin the debate on the substance on October 2 when Selwyn Lloyd and Pineau will be here. Fawzi is expected to arrive in the next day or so. The speculation is that Dulles will not attend the Council and that, if he does not, neither will Shepilov.

9. The UK and France apparently hope that Egypt will be the only non-member of the Council to be heard. They assume that the Egyptians will ask to attend the Council once the agenda has been approved. There is some possibility that Israel will also ask to be heard, particularly because Israel's interest has been clearly established. The UK Mission hopes that Israel can be persuaded not to seek a hearing because this would greatly complicate the proceedings. It seems that all the Arab States have signified their intention to ask for a hearing if Israel should be allowed one.

10. You probably share my anxiety about the way in which this matter is developing. Far from seeking a solution, France and the UK, but particularly the latter, seem bent on humiliating Nasser and perhaps showing the helplessness of the Security Council in this matter. The UK initiative seems to have been prompted largely by political pressure at home. The present tactics if we have interpreted them correctly would be a disappointing use of UN machinery, which might be the only means of obtaining a practicable solution to the Suez problem. We heard today that the Secretary General has expressed the view, which we put forward earlier, that only in a UN forum can Egypt be expected to negotiate seriously for a reconciliation of the conflicting rights and interests in the Canal. It is our impression that this view is shared by some of the smaller Western Europeans. We can only hope therefore that the Anglo-French tactics proposed today will in the next few days be modified in the direction of a more practicable approach.

[R.A.] MACKAY

100. DEA/50372-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], September 27, 1956

THE SUEZ QUESTION IN THE SECURITY COUNCIL

In telegram No. 744 of September 24 (attached) our Permanent Mission in New York suggests possible lines along which consideration of the Suez issue in the Security Council might develop. While Canada will not be directly involved in the Security Council discussions, it may be useful at this time to formulate our own views as to what course the Council's action on the question might usefully follow and to look beyond this to the possibility — indeed the likelihood — that the matter will eventually be referred to the Assembly. We envisage a Security Council resolution not entirely acceptable to either party; a subsequent period of unfructuous[113] negotiation followed by a reference to the Assembly. In this case factors bearing on the securing of a two-thirds majority become important.

Our Mission in New York envisages the setting up by the Security Council of a committee or commission to operate as a conciliator between the parties, and, as an interim measure pending achievement of a settlement, co-ordination of technical services for operation of the Canal under United Nations auspices. The matter of interim arrangements is of particular interest and, of course, immediate concern, if Canal operations are to proceed without interruption while negotiations are in progress following the Security Council debate.

You will recall that Mr. Robertson in his telegram No. 1260 of September 15† (attached) suggested United Nations involvement in technical direction of Canal operations as an interim measure. He pointed out that the organization and control of traffic through the Canal must be integrated under a single planning authority, since one could not safely have ships simultaneously passing through the Canal, some directed by the Canal Users' Association and some by Egyptian authorities. It seems to us that there is considerable merit in his suggestion, and that it might be usefully expanded to meet the present need, provided that the agreement of both Egypt and the members of the Users' Association could be obtained. The United Nations staff involved would not have to operate the Canal themselves; all they would need to do would be to provide the framework within which the resources of both the Egyptian authority and the Users' Association could be fully utilized in the interests of efficient operation. United Nations personnel required would therefore be senior administrators, rather than specialists in communications and transit. This proposal might be further improved upon if it were coupled with Mr. Robertson's previous suggestion for an escrow arrangement whereby the United Nations officials providing the services would collect the dues, meet current expenses and hold the surplus to be allocated in accordance with whatever agreement might ultimately emerge from negotiations.

Such an interim agreement would offer advantages to all concerned. The Egyptians presumably are interested in ensuring that the Canal continues to be used, and that customers are not compelled to seek alternatives which may become permanent solutions. The Users would also derive the advantage of not incurring additional expenditure required to by-pass the Canal.

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[113] Note marginale :/Marginal Note:
Please! [L.B. Pearson]

It is clear, however, that such an interim scheme would not generally commend itself within a United Nations context unless it were accompanied by an understanding that pressure on Egypt would be relaxed. The Users under this proposed scheme would be able to send their ships through the Canal at substantially the present rates; this is a considerable advantage and meets, for the time being, their essential objective. It follows from this that Egypt must not be expected to negotiate under economic and military pressure. As we see it, an interim arrangement under United Nations auspices implies an acceptance on the part of all concerned to negotiate and therefore makes the United Kingdom, French and Egyptian military and economic measures probably unnecessary and certainly undesirable. However, should negotiations fail subsequent to a Security Council resolution, the Users would be in a better position later to appeal to the United Nations if the Egyptians were unable to accuse them of threats or even of the use of force. This is an accusation which is likely to impress many Arab and Asian nations and which could easily draw attention away from the main issue.

Thus, while we agree with the Permanent Mission as to the general lines which Security Council action might follow, we are not sure that we can fully endorse the views expressed in paragraph 3 as to the powers of any international board which might be set up. It seems to us that the powers of such a Board should be related to the status of the Canal in international law, and that any attempt to outline the functions of the Board before the legal status of the Canal is clarified and agreed upon, would be premature. The argument that the Board's powers should be related to the status of the Canal in international law would appear to be a sound line to take in the United Nations, and indeed perhaps the only one likely to attract majority support. The Legal Division of the Department is at present studying various legal problems arising out of the Suez dispute, including the status of the waterway in international law.

What we therefore have in mind is that the United Kingdom and France should follow a line that may ultimately have to be endorsed by a two-thirds majority in the Assembly. Our view is that such a line is likely to be one substantially in accordance with international law and which would exclude, in the immediate future, any move on the part of the United Kingdom and of France which might weaken their case and distract attention from the basic issues. Acceptance of this line and of these tactics by the United Kingdom and France involves a difficult initial sacrifice; but it is the sacrifice of an objective which is almost certainly incapable of achievement "Cutting Nasser down to size". We think that the more subtle approach suggested here may ultimately have the effect of undermining Nasser's position as a self appointed spokesman of the exploited coloured masses.

J. L[ÉGER]

101. L.B.P./Vol. 37

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1328 London, September 27, 1956

TOP SECRET AND PERSONAL. IMMEDIATE.
Following for the Minister only from Robertson.

SUEZ

I had a long talk with Krishna Menon this morning, in the course of which he gave me, solely for your information, a pretty full account of his conversations with Eden and Lloyd. I am afraid that I have to stress that this was "an exclusive interview", and ask for an embargo on circulation, because Menon, so far at least, has succeeded in keeping his conversations so completely private that Home and Nutting, whom I saw yesterday, knew nothing about them, and Mrs. Pandit and the Indian Deputy High Commissioner have asked me separately whether I had any idea what Krishna was talking to British Ministers about.

2. Krishna told me that he had had long, friendly and encouraging talks with the Prime Minister and with Selwyn Lloyd. He told them that his Prime Minister did not wish India to act as an intermediary between the UK and Egypt. He was not bringing to London any proposals from Colonel Nasser, nor did he wish to take back to Cairo any counter-proposals from London. He and his Prime Minister did think, however, that they were perhaps in a position in which they could usefully formulate their own views as to what ought to be a basis of negotiation acceptable to both sides. Nehru and Krishna had drawn up a list of specific points — developing, I took it, from the Indian proposals put forward at the first Lancaster House Conference — which Nehru was prepared to urge Nasser to accept if he could be assured that they would be acceptable to the UK. Krishna had been encouraged by Eden to develop his argument. He thought Eden now understood and appreciated the position of the Indian Government in the matter, and welcomed their efforts to help in finding a peaceful solution. It was his understanding that the principal object of Eden's talks in Paris today could be to persuade the French to contemplate the possibility of a negotiated settlement. Eden would discuss the idea of negotiation in the context, and as a probable consequence, of the reference to the Security Council. He would not relate it in any way to the Anglo-Indian exploratory conversations, which would remain completely secret. If Eden comes back from Paris having convinced the French that negotiation is possible and must be sought, Krishna will fly back to Delhi via Beirut, not Cairo, on Saturday morning. He thought he might spend a day or two with Nehru, and then if present plans hold he would fly from Delhi to Cairo on Tuesday of next week and do his best there.

3. He wanted me to let you know that he now thought there was about a "fifty-fifty" chance of this latest Indian initiative proving successful. He was "not discouraged" by its reception in London, and found Eden forthcoming and taking a more realistic view of the situation than he had been led to expect. He said he would come and see me on Saturday morning before he leaves for India to let me know the kind of message Eden is able to send back to Nehru in the light of his conversations with Mollet and Pineau.

4. I asked Krishna how the timetable he was working on could be squared with the timetable in the Security Council, where I understood Selwyn Lloyd was preparing to present the UK case on Thursday, October 4th. He appeared to be confident that the Security Council meeting could be postponed for a few days if the UK asked for a delay in the hearing, or alternatively if the meeting had to go on as scheduled that it could be spent in developing the legal arguments about the validity under international law of the act of nationalization. He hoped that the UN discussions in New York could provide time and cover for more serious diplomatic conversations elsewhere.

5. I felt Krishna was intent on minimizing the possible usefulness of the UN context. He told me he was glad to find that London was allergic to the idea of a Good Offices Committee. He was obviously jealous of any role that might be given Hammarskjöld in the search for a settlement. He referred to the reluctance on the part of the Egyptians to having the UN figure too prominently in a possible future régime for the Canal. His attitude and these observations are, of course, explicable in personal terms, but should not thereby be discounted.

6. I told him I thought he should not underestimate the importance of having the Suez situation kept within a UN framework, for three reasons (1) while the situation was before the UN, the risk of a resort to force was *ipso facto* diminished (2) given the very explicit public positions taken by the leading statesmen on both sides over the last weeks, it should be easier to reach a compromise solution by negotiation in a medium in which the parties could abate their more extreme positions out of respect for the purposes and principles of the UN rather than in deference to any argument or condition set up by their adversaries (3) I myself thought it desirable that the USSR should be associated with an ultimate settlement. This would be more feasible through the use at some stage of UN procedures than otherwise.

7. I do not know quite what to make of this Indian initiative. I think it should be taken seriously and given an opportunity of seeing what it can accomplish. I am worried about how it can best be related to what is in train in New York. It will be difficult to accommodate it to the requirements of the Anglo-French entente and of the Canal Users' Association. It also raises difficulties in relation to the position of the USA, which has not yet been told anything of the Anglo-Indian conversations. (Krishna told me that when he had raised the question in Whitehall of his going to Washington to explain the new Indian approach, Eden appeared to have an open mind as to the advisability of his doing so, and Selwyn Lloyd was completely opposed.) I suppose if all goes reasonably well that one way of tidying up the position would be if, through Indian good offices, agreement were reached secretly between London and Cairo on a mutually tolerable basis of negotiations, a UN committee could give its blessing to such an agreed basis of negotiation so that the continuing diplomatic negotiations could proceed under its auspices.

102. L.B.P./Vol. 37

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1338 London, September 28, 1956

TOP SECRET AND PERSONAL. MOST IMMEDIATE.
Following for the Minister only repeat only from Robertson.

SUEZ

I saw Selwyn Lloyd this afternoon. I told him of my talks with Nutting and with Menon while he was in Paris, and asked him how I should interpret the Paris Communiqué.[114] He was very upset to learn that Krishna had told me of his conversations with Eden and himself. I probably should not have referred to my conversation with Krishna, but since I did he knows that you and I know of his discussions with India. I told him I had reported it to you as fully as I could, but had wrapped my message around with every kind of embargo and I was sure that there would be no leak whatever from Ottawa. I felt also that I had to try to protect Menon, and got an assurance from Lloyd that he would not tax Menon with having told me about his discussions with UK Ministers.

2. Our talk was short and troubled, and I was not able to get any real clarification of Anglo-French thinking about procedure in the Security Council. Lloyd said he hoped they could get a three or four days' adjournment. To my mind this suggested that the British were in fact prepared, however reluctantly, to fit their tactics to Krishna Menon's timetable and were taking seriously his efforts to prepare the way for direct negotiations.

3. I gathered from Lloyd that he had given Menon a list of points which from the UK point of view had to be provided for in any tolerable settlement of the Canal dispute. The UK are now thinking in terms of a revision of the 1888 Convention which would, *inter alia*, elaborate assurances against discrimination in the levying of tolls; provide for arbitration of charges of "covert" discrimination in the operation of the Canal; provide for arbitration of the adequacy of the offer of compensation to the Canal Company and its shareholders; provide for some kind of international supervision of the operation of the waterway; provide for some kind of international consultation and approval of plans for the development and expansion of the Canal.

4. I got the impression that these points that Lloyd mentioned to me may have been formulated by Menon as a development of the original Indian proposals. Lloyd obviously was not very happy about having to use Menon as an intermediary, complained that his records of conversations were unreliable, and feared that they would have a lot of trouble in reconciling what Menon might say in Cairo with what Menon had said in London.

5. Lloyd said that he himself was as ready to bash the Egyptians as anybody, but he had to ask himself where this country and the Commonwealth would stand after the job of

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[114] Le communiqué est reproduit dans Anthony Eden, *Full Circle: The Memoirs of the Rt. Hon. Sir Anthony Eden*, London: Cassell, 1960, pp. 496-497.
This communiqué is reprinted in Anthony Eden, *Full Circle: The Memoirs of the Rt. Hon. Sir Anthony Eden*, London: Cassell, 1960, pp. 496-497.

bashing had been done; hence his reluctant acceptance of the inevitability of exploring the possibilities of a negotiated settlement.

6. Our conversation was undoubtedly soured by my indiscreet disclosure that I knew a little more than I was supposed to know about the way things were going. It was also shortened by the presence of the Israeli Ambassador in the anteroom.

7. In the circumstances I hope you can carry out the assurance I gave Lloyd that there was no possible risk of a leak from Ottawa.

(Note to Communications: Your tel KK60.† The High Commissioner is most anxious that his tels 1328 and 1338 do not repeat not get Suez distribution without consent of the Minister.)

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103. L.B.P./Vol. 37

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1339 London, September 29, 1956

TOP SECRET AND PERSONAL. IMMEDIATE.

Following for the Minister only from Robertson. No other circulation. Krishna Menon came to see me this morning on his way to the airport. He wanted you to know that he was not unhopeful about the way things seemed to be working out. The Indian object is to get the British, French and Egyptians together in direct discussions on a basis of negotiations which Menon hopes he may be able to confirm in Cairo next week. Present thinking here is that if the USA were not a party to such preliminary direct negotiations, it would be easier to keep the Russians out of it. Menon believes Nasser is under a good deal of pressure to find a settlement pretty soon, and he is satisfied from his talks with Eden and Lloyd that they have come to see that the probable consequences of the other courses of action which have been contemplated could in their several ways be pretty disastrous. He thinks they have succeeded in persuading the French to accept the idea of seeking a solution by negotiation, but have not yet told them of the specific bases of negotiation which they have been examining with Menon.

2. Krishna thinks that if the present position can be held for another week or ten days, it will be possible to tell whether the Indian efforts on both sides are producing results; in the meantime he hopes there will be no "constructive solutions" put forward from Washington or anywhere else. Menon wondered whether, without disclosing anything of his conversations, you might find an opportunity of suggesting to Mr. Dulles that he could safely hold his hand for a while and refrain from any new initiatives.

3. I suspect that what possibility there is of persuading both parties that they can each achieve peace with honour lies in the unwinding of the implications of the key-word "unfettered". Eden has said over and over again that the UK will not tolerate a situation which leaves the Canal "subject to the unfettered control of one man and one nation". Nasser has summarily rejected international control. As the same time he has indicated that he is prepared to negotiate a revision of the 1888 Convention which would provide safeguards against discrimination in respect of tolls, Canal operations, etc. The acceptance by Egypt of more explicit international obligations under the new convention could, I think,

perhaps be presented to UK and French opinion as the imposition of "fetters" within the meaning of Eden's public declarations. Part of the job will be to find an inoffensive Arab equivalent for "fetters".

4. It is my judgment, in the light of my talks with Menon and Lloyd, that we need not and should not offer advice at this juncture. Press reports of the Wheat Board's deal with Egypt have not at the moment strengthened whatever reserve of influence we may have over here.

(Note to Communications: Your tel KK60.† The High Commissioner is most anxious that his tels 1328 and 1338 do not repeat not get Suez distribution without consent of the Minister.)

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104. L.B.P./Vol. 37

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM M-1240 Ottawa, September 29, 1956

TOP SECRET AND PERSONAL. IMPORTANT.
Reference: Your tels. 1328, Sep 27, 1338, Sep 28, and 1339, Sep 29.

SUEZ

Following for High Commissioner only from Minister. Krishna Menon's ideas seem to me to be pretty constructive but I am disinclined to associate myself, however discreetly, with his activities, even to the extent of approaching Mr. Dulles as he suggests; more particularly as Selwyn Lloyd knows about your contacts with Menon. You can assure Lloyd that no circulation whatever is being given to your messages and, therefore, there will be no leakage of any kind. I agree with you that negotiations must soon begin and that the objective will be to agree on "fetters" without calling them that.

2. I also agree with your judgment that this is no moment for us to offer advice. I think, however, that our position in the wheat negotiations with Egypt has been exaggerated and misinterpreted in London. I have discussed this matter with my colleagues here and find them quite unrepentant, especially as no special consideration is being shown Egypt. Mr. Howe has given me explicit assurance on that point. Moreover, he has pointed out, and rightly, that we have no knowledge of any U.K. moves which imply economic sanctions against Egypt, and surely we cannot be expected to ask our trade to operate on the assumption that this might happen. Furthermore, he has told me that American wheat is going to Egypt via Switzerland and that also the Australians are negotiating for shipments. In any event, no deal has yet been closed.

[L.B. PEARSON]

105. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], October 18, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Secretary of State (Mr. Pinard).

The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

. . .

MIDDLE EAST; SUEZ CANAL DISPUTE; ISRAELI-ARAB TENSIONS

30. *The Secretary of State for External Affairs* reported that the Suez Canal dispute appeared to be quietening down. The United Kingdom and France were negotiating with Egypt under U.N. auspices.

However, tension had increased between Israel and the Arabs and the situation in the Middle East was quite dangerous. Israel had said that any more incidents on the Jordanian border would lead to substantial retaliation and not just be treated as a border affray. The U.K. had supported Iraq in its decision to send troops to Jordan to stabilize the situation there but this appeared to be an unwise move.

The first eight Sabre aircraft for Israel would be shipped by boat in the next few weeks and the balance at the rate of four a month. He had emphasized to the Israeli Ambassador, however, that if Israel committed aggression the shipments would be suspended. Even though Israel had already given a cheque to Canadair for all 24 airplanes, this would not change in any way the original policy on the rate of transfer. The situation in the Middle East would be watched closely from month to month.

31. *During the discussion* it was observed that the British were in a very awkward position. By their treaty with Jordan they were committed to come to Jordan's aid in the event of aggression and it was conceivable that, if large-scale hostilities occurred, they might find themselves siding with Nasser at the same time that they were endeavouring to settle the Suez Canal dispute. Only recently had the U.K. informed Jordan that it reserved the right to decide when there was actual aggression against Jordan. This position should have been taken months ago.

32. *The Cabinet* noted the report of the Secretary of State for External Affairs on the Suez Canal dispute and on the increasingly dangerous Israeli-Arab situation.

W.R. MARTIN
Assistant Secretary
to the Cabinet

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106. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM KK-86 Ottawa, October 29, 1956

SECRET. IMPORTANT.

Reference: Your 1457 of Oct 26.†

UK POLICY IN THE MIDDLE EAST

The US Ambassador saw the Minister this morning on instruction from Mr. Dulles, with whom Mr. Merchant had been in touch by telephone. Mr. Merchant said Mr. Dulles was concerned because little info seemed to be available in Washington about UK thinking on Middle Eastern policy. He mentioned specially the apparent lack of interest shown in London in establishing a date for resuming conversations about the Suez Canal. There is also considerable uncertainty in Washington about UK intentions in relation to the preparations Jordan is making to protect itself against possible attack by Israel.

2. Mr. Pearson told Mr. Merchant that we have little or nothing to add to what Mr. Dulles himself already knows on this subject.

3. I cannot instruct you to call on Mr. Selwyn Lloyd for the special purpose of asking for more info than you have already transmitted to us in your very informative and useful tel under reference, which dealt with Jordan. It would be particularly difficult to ask Mr. Lloyd for info with a view to passing it along to Washington, since the UK would probably prefer to talk directly to US officials themselves. Nevertheless I should like you to bear Mr. Dulles' perplexity in mind and the possibility that we might help to facilitate cooperation between the State Department and the Foreign Office. If you have a suitable opportunity to talk to Mr. Lloyd we should be grateful for any light you can throw on the constructive thinking which the UK is undoubtedly doing in relation to Middle Eastern Affairs.

[J.] LÉGER

SECTION B

INVASION DE L'ÉGYPTE ET CRÉATION DE LA FORCE D'URGENCE DES NATIONS UNIES
INVASION OF EGYPT AND CREATION OF THE UNITED NATIONS EMERGENCY FORCE

S. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM G-1418 Ottawa, October 30, 1956

SECRET. MOST IMMEDIATE.

Repeat Permdel No. G-561; London, Paris (Information. Immediate).

ISRAELI INVASION OF EGYPT

Robertson called me from London just after I was speaking to you this morning. He made it clear that he had had no information whatsoever about the decision just taken by the British and French to send an ultimatum to Egypt and Israel.[115] Not only had he been given no inkling of what was under consideration, but the members of his staff who had just returned from canvassing the Foreign Office and C.R.O. had not had the slightest intimation that anything extraordinary was contemplated.

2. I asked him to let Home know our grave anxieties over the decision that had been taken. I passed on to him the report which we had just received by telephone from New York, with special reference to the charge by Sobolev that Britain and France were exploiting the situation for their own purposes. He confirmed my impression of the complete gulf which now exists between the British and French on the one hand and the United States on the other on Middle Eastern issues. He said it was his impression that the British and French had not had time to consult anyone. However, as I told him, the impression on this side would be that the British and French had been cooking this up in their recent conversations.

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108. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM M-1311 Ottawa, October 30, 1956

SECRET. MOST IMMEDIATE.

Reference: Our telephone conversation this morning.

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[115] Voir/See *Documents on International Affairs, 1956*, London: Royal Institute of International Affairs - Oxford University Press, 1959, p. 261.

Repeat Permis, Paris, Washington (Information).

SITUATION IN PALESTINE

In accordance with the request I made in our telephone conversation this morning I hope that you have been able to express to United Kingdom Government our feeling of bewilderment and dismay at the decisions which they have taken along with the French Government while the Security Council was meeting in New York; decisions which came as a complete surprise to us and which had not been hinted at in any previous discussions. Since I spoke to you Dulles telephoned me from Washington in a state of emotion and depression greater than anything I have seen before in him. He said that for some days they had been cut off from all sources of information in London on British policy in this area. He said that the British and French decision undid everything. As a result of their brutalities in Eastern Europe, the Russians were on the run, but now the British and French had done something which, it would be argued, was comparable to the kind of action which Russians had taken or were accustomed to take in situations which they claimed to be of an emergency kind.

2. British action in this matter seems to us all the more surprising because of the condemnation of Israel by the U.K. Delegate at the Security Council last week and his expressions of sympathy and support for Jordan in regard to border episodes. If the British felt so strongly about Israeli provocations, surely they must have been planning for the kind of action by Israel which has, in fact, taken place. Their present ultimatum, however, seems to be much more anti-Egyptian than anti-Israel in its terms, as it apparently would leave Israel in possession of a good deal of Egyptian territory.

3. The French position on this matter seems to us particularly hard to appreciate. Dulles was most strong in his criticism of Paris, and he feels, I think, that the whole thing may have been manoeuvred by the French Government as a way out of some of their own difficulties, and that that Government has been sending arms to Israel recently, including jet aircraft, which they had not mentioned to their allies. If true, this is one of the most depressing features of the whole sorry situation.

4. Needless to say, the fact that such a decisive step seems to have been planned without any consultation with any of their closest allies, including not only the United States but ourselves, makes cooperation extremely difficult.

5. The other aspect of the situation which disturbs me most is the fact of the ultimatum being despatched and action being taken, if it is not accepted in 12 hours, at a time when the United Nations Security Council is considering the matter. It is going to be very difficult to explain this to public opinion here.

6. I realize of course that these are first reactions and perhaps may turn out to be unnecessarily pessimistic in the view of later information and later developments, but I can assure you at the moment there is nothing but pessimism around here.

[L.B.] PEARSON

109. DEA/50134-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1486 London, October 30, 1956

SECRET. MOST IMMEDIATE.
Reference: My tel 1473 Oct 30.†

ISRAELI INVASION OF EGYPT

1. Lord Home met the Commonwealth High Commissioners this afternoon at 6 o'clock. He handed around copies of the Prime Minister's statement,[116] which you will be receiving from Earnscliffe. He had not himself been involved in its drafting and was not in a position to add anything by way of explanation to what the Prime Minister had said, except that according to British info, the Israeli Forces had virtually reached Suez by noon today, from which it was inferred that the Canal itself was one of the Israeli objectives. On this appreciation the Israeli thrust was not a wheeling raid through Sinai which would bring them back to Israel on its completion.

2. I told Lord Home that I had had an opportunity of speaking with you since hearing the Prime Minister's statement, and that you had already received the first reports of the proceedings of the Security Council. I said that the first impression in Ottawa was one of dismay that the UK and France appeared to be cutting across the deliberations of the Security Council which was already in session when the Anglo-French notes were delivered to Israel and Egypt. These were very grave decisions which appeared to have been taken without opportunity for consulting the USA and the other Commonwealth countries.

3. Home said that the sole Anglo-French object was to prevent the fighting spreading and to protect the lives and property of peaceful users of the Canal. Proceedings in the Security Council might take days in argument as to who was the original aggressor, etc. The UK feel that the initiative which the French and themselves have taken is in accordance with the purposes of the UN and consistent with the Tripartite Declaration, though not taken under it.

4. Discussion was short and desultory. The Indian Acting High Commissioner was puzzled as to why it should be an important Israeli objective to reach the Canal. The Pakistan High Commissioner thought they were driving to the Canal with a view to outflanking and encircling the Egyptian Armed Forces in the Gaza Strip.

[N.A.] ROBERTSON

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[116] Voir/See United Kingdom, House of Commons, *Parliamentary Debates*, 1955-56, Fifth Series, Volume 558, columns 1274-1275.

110. PCO/I-60-2(a)

Le premier ministre du Royaume-Uni
au premier ministre

Prime Minister of United Kingdom
to Prime Minister

TOP SECRET AND PERSONAL [London], October 30, 1956

As you know, for a long time now the Middle East has been simmering. Now it is boiling over.

2. It has been obvious for some time that Israel was increasingly restive, and we feared that she would turn on Jordan. That would have presented us with a calamitous situation in which we might well have found ourselves under our Treaty fighting alongside Jordan with Egypt as our ally, against Israel armed with weapons from Canada and France, and supported by France. You who know the Middle East situation so well will understand what a nightmare that prospect has been.

3. We have made clear to Israel through diplomatic channels what our attitude would be should hostilities break out.

4. In doing so (1) we have warned them off Jordan absolutely. That we have done by publicly declaring our intention to stand by our Treaty with Jordan in the event of Israeli aggression. We have now obtained assurances from Israel that she will not attack Jordan. (2) We have told them that we do not consider ourselves under an obligation to defend Egypt. Nasser (confirming what his Foreign Minister had earlier told our Ambassador) told the Foreign Secretary last March that the Tripartite Declaration conferred no rights and imposed no obligations on its authors. His press has stated that Egypt would not allow Western troops to come to Egypt's aid.

5. We have emphasized that we cannot allow a war between Israel and Egypt to block the Suez Canal; that we and the French would feel bound if war broke out to require both countries to cease hostilities and to withdraw from the Canal; that we should send them a requirement to that effect, and that in the event of refusal we would take any military action necessary to compel each party to conform.

6. It may be that both would accept such conditions.

7. Our latest information is that Israel has accused Egypt of aggression and is delivering a counter attack. The situation is fluid but we will let you have the latest information as we get it.

8. Our concern in this grave matter is to stop the fighting and to ensure the safety of the Suez Canal on which so many nations' lives depend. We expect to raise all this at U.N.O. in the most appropriate way.

9. Meanwhile, however, it is of vital urgency to act at once. We and the French with us propose therefore at once to send a requirement to Israel and Egypt demanding that hostilities must cease immediately and that troops must be withdrawn from both banks of the Canal. We will add that in the event of either side refusing we reserve the right to take such military action as may be necessary to compel the offender to conform. We are doing this because this war must be stopped before it has time to develop into a wider conflict involving others.

10. Clearly there are risks in intervention. But the risks of hesitation and delay are in our judgment greater and unless hostilities can be brought to a close at once they risk developing into a wider conflict involving others. I know that we can look for your understanding

and much hope for your support in our endeavours to limit its scope, and to bring about a truce so that a permanent settlement may be worked out which will pacify this turbulent area. We will continue to keep you in the closest touch.[117]

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111. DEA/50134-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 1968 Washington, October 31, 1956

SECRET. IMPORTANT.

Repeat London, Paris, NATO, Permis (Information).

MIDDLE EAST; WASHINGTON REACTIONS

This will be an attempt to convey our impressions of the reactions in official circles to events subsequent to the crossing of the Egyptian border by Israeli forces. They are drawn from a large number of conversations with USA officials, diplomatic colleagues and journalists. It is to be hoped that the present state of mind will prove transitory. At present, as the Australian Chargé put it this morning, it can best be described as a combination of anger, disappointment and depression.

2. Late yesterday afternoon I saw Burke Elbrick, the Acting Assistant Secretary for European Affairs, who has been very close to the Secretary of State during this affair. From him I sought the State Department's reactions. He began by showing me a copy of the President's message of earlier in the afternoon to the UK and French Prime Ministers, in which Mr. Eisenhower expressed deep concern at the announcement from London and Paris of imminent joint military action in the Suez area. This message was subsequently the subject of a press statement by the White House but the text has not yet been made public. It began by saying that the President "had just learned from the press" of the Franco-British ultimatum to Israel and Egypt. It went on to urge "the great unwisdom" of taking the threatened "drastic action" when the matter was still under consideration in the Security Council. It concluded by expressing Mr. Eisenhower's sincere belief that "peaceful processes" should be employed "to secure a solution which would restore the armistice condition as between Israel and Egypt and also provide a just basis for settlement of the controversy with Egypt about the Suez Canal". (Elbrick was not sure that the text he showed us was the final one, though we are satisfied that it remained substantially unaltered; it should, however, be regarded as a paraphrase only).

3. Elbrick had just come from a long session with Mr. Dulles and reflected, I feel quite sure, the Secretary's own state of mind. He told us that Coulson, the British Chargé, and Alphand had been in during the afternoon and had delivered messages from their respective Prime Ministers in support of the joint action upon which they had decided, and by that time announced. We were not shown the messages but gather that the Mollet explanation was brief to the point of being perfunctory. The Eden message, on the other hand, attempted to explain in some detail the reasons for the British action and primarily on the

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[117] Note marginale :/Marginal Note:

(Delivered to the Prime Minister at 5:00 pm, October 30) [Auteur inconnu/Author unknown].

ground that emergency military measures were necessary to compel a cease fire in the area of the Canal and to part the belligerents.

4. It is our impression that the failure of the UK and French Governments to consult or even to inform the USA Government in advance of their proposed course of action has been as severe a shock to the USA Government, from the President down to the most junior State Department officials, as the nature and circumstances of the Franco-British action itself. There is no doubt whatever that this is regarded here as a very serious blow to the Western alliance and to the cohesion of the free world. In this connection the effect on NATO was mentioned by Elbrick several times. Coulson, the State Department believe (and this I had earlier learned from Coulson himself) had had no forewarning of the UK Government's intention. (My Message 1952 October 30†). Elbrick was not sure about the French position.

5. Elbrick emphasized how unhappy it was that the Franco-British action had deprived us of the great opportunity which recent events in Eastern Europe had afforded the West in their dealings with the Soviet Union. It was little short of "tragic" that the Israeli invasion and the prospect of UK and French military action in the Middle East had at one blow dissipated the encouraging gains of recent weeks in the satellite countries.

6. Last evening, at dinner, I had a chance for some private conversation with Allen Dulles. He was very depressed. He told me that he had been with "the boss" most of the day. The President had been very angry when he had heard of the Franco-British ultimatum. At that time they were considering the action the USA would take in the Security Council. The President had said that, if people thought that he was going to be deterred from the course he thought right just because the USA were on the eve of an election, they were greatly mistaken. At any rate the President and the Secretary of State did decide, as we know, to push ahead with their resolution in the Security Council even though they quite realized that meant bringing into the open the serious breach between Washington, London and Paris. Walter Robertson was another with whom I spoke last evening. Despite his wide differences with the British on China policy he has always been a stout proponent of the Anglo-American alliance. He told me that he had been in a state of despair and depression since he had heard the news, and he could not shake it.

7. Allen Dulles told me, incidentally, that he had had advance intelligence which had led the CIA to conclude (by Saturday, October 28th, I should think,) that the Israelis intended to move against Egypt. As you know they had also learned of France supplying Israel with fighter aircraft and probably other armament beyond what had been hitherto known. He remarked wryly that the USA would soon be facing a demand from the UK for oil.

8. In this morning's *Washington Post* and *Times Herald* Chalmers Roberts heads his piece "British, French, Israeli collusion on moves in Mid-East now seen". We shall send you the clipping by tomorrow's bag. It reflects, I believe, pretty accurately the present state of mind of the administration. Of French collusion they seem quite convinced. The circumstantial evidence against the British has to many seemed strong but I think most would be willing to give London a day in court. It will be hard to convince them, however, that the motive of the UK and France has not been primarily to restore their positions in the Suez Canal rather than to bring about a cease fire.

9. It may be that we are exaggerating the gloom. Further, it is likely that the gloom is a good deal thicker in Washington than in the rest of the country. Nevertheless it is impossible to avoid the conclusion that serious harm has been done, at least temporarily, to British-American and Franco-American relations — and this primarily by the failure of London and Paris to consult the USA. It remains to be seen whether the Franco-British

action will in fact serve to bring about a cease fire and to restore the *status quo*. If it does and Israeli forces are withdrawn quickly to their original positions it is possible that this greater good may ultimately assuage the present severe wound. But it is hard for us now to believe that the bitter experience of the past twenty-four hours will soon be forgotten.

10. The Korean parallel will be in many minds. In that case the USA were able to gird themselves effectively with the collective armour of the UN. There will be many who are not convinced that in the present case the UK and France could not have achieved similar salutary results (and with USA support) in their efforts to bring about a cease fire, separate the fighting elements and introduce minimum stability in the Middle East.

11. As a postscript, one cannot but have apprehensions as to the effect of these events upon the relatively dormant isolationism of the right wing of the Republican Party. The temptation to revert to the continental approach which President Eisenhower has done so much to dissipate or drive below ground could be greatly encouraged. On the other hand one of the curious cross currents in this mixed up situation is the statement attributed to Senator Knowland, yesterday, in which he appeared as a champion of the UN Charter.

[A.D.P.] HEENEY

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112. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], October 31, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of National Health and Welfare (Mr. Martin),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin).

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INTERNATIONAL SITUATION; ISRAELI INVASION OF EGYPT; UNITED KINGDOM AND FRENCH ULTIMATUM TO ISRAEL AND EGYPT; SUSPENSION OF ARMS SHIPMENTS TO THE MIDDLE EAST

3. *The Secretary of State for External Affairs* reviewed the grave situation in the Middle East arising out of Israel's invasion of Egypt and the declaration by the United Kingdom and France of their intention to occupy the Suez Canal zone.

He also reported on the reaction in the United States and on the developments in the United Nations. The High Commissioner in the U.K. had been instructed the previous day to inform the U.K. government that the Canadian government viewed their proposed action with dismay and to make an appeal for the postponement of the British and French ultimatum. He had seen U.K. ministers several times and expressed views in accordance with these instructions. The U.S. Secretary of State had phoned the Minister and entreated him to do everything possible to bring home to the British government the grave consequences of the steps they were taking and to do what he could to repair the damage done to the relations between the United States and the United Kingdom.

In the United Nations it appeared that a meeting of the General Assembly would be called under the terms of the "Uniting for Peace" resolution, which had been designed to provide for action on measures vetoed in the Security Council and in the preparation of which Canada had played an important part. The position of Canada and of the United States at the meeting would be particularly embarrassing in relation to the U.K. and France.

The Prime Minister had received a message from the U.K. Prime Minister informing him of the intentions of the U.K. and France, but this had reached Ottawa after the press had reported the announcement of these measures in the Parliament at Westminster.

Events were moving quickly and information on the situation was not complete, and it was difficult to reach firm conclusions on all aspects of the matter at present. However, there were a number of immediate problems which had to be settled. These included the question of arms shipments, the form of reply, if any at this moment, to Sir Anthony's message, and arrangements for evacuation of Canadian personnel whose presence was not essential in the Middle East.

4. *The Cabinet* noted the report of the Secretary of State for External Affairs on the situation in the Middle East arising out of the invasion of Egypt by Israel and the subsequent action of the United Kingdom and France and agreed,

(a) that shipments of all arms to Israel and the Arab nations be suspended;[118] the public statement on this subject, however, to refer only to the F-86 aircraft for Israel unless questions were asked about other shipments;

(b) that a reply to the United Kingdom Prime Minister's message on the intentions of the United Kingdom and France be prepared for early consideration; it should include appropriate references to the effect such actions would have on matters of such paramount importance as the Anglo-United States alliance and the future of the Commonwealth;

(c) that the visa officer of the Department of Citizenship and Immigration in Tel-Aviv be instructed to suspend his immigration activities and assist the Department of External Affairs in protecting Canadian citizens in the area; and,

(d) that, if any R.C.A.F. transport aircraft were available in the Middle East, they should form part of the U.S. airlift evacuation operation, but that if Canada needed to supply additional aircraft for evacuation purposes, civilian transport planes should be chartered for the purpose in order to avoid any danger of confusing R.C.A.F. aircraft with those of the R.A.F.

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[118] Voir aussi les documents 27 et 70./See also Documents 27 and 70.

113. PCO/1-60-2(a)

Le premier ministre
au premier ministre du Royaume-Uni

Prime Minister
to Prime Minister of United Kingdom

TOP SECRET AND PERSONAL Ottawa, October 31, 1956

Thank you for your message of yesterday, which reached me at five o'clock, our time, in the afternoon. I understand, of course, that in view of the rapidity with which your government and that of France felt it was necessary to act, it could not be otherwise; but the first intimation I had of your government's intention to take certain grave steps in Egypt was from the press reports of your statement in the House of Commons.

I must add that without more information, and information different from that which we now have, about the action of Israel, we cannot come to the conclusion that the penetration of its troops into Egypt was justified or that the probable resistance of the Egyptians necessitated the decision of the U.K. and France to post forces in the canal zone. No doubt, however, your own information is much more complete than ours. We now await developments, and information concerning them, with most anxious interest.

In the meantime, we have suspended all shipments of arms to Israel and will endeavour to shape our course in conformity with what we regard as our obligations under the Charter of and our membership in the United Nations. We are never unmindful, of course, in our own decisions, of the very special relationship of close friendship and intimate association which we have with the United Kingdom and with your government. Nor do we forget the vital importance of the Suez Canal to the economic life of the United Kingdom.

You will not be surprised when I tell you that, apart from the danger of a war which might spread, there are three aspects of this distressing situation which cause us particular anxiety. Our misgivings in this respect have already been communicated to some of your colleagues through our High Commissioner, who may have passed them on to you.

The first is the effect of the decisions taken on the United Nations, of which the United Kingdom has been such a staunch and steady supporter. The fact that the action which you took was taken while the Security Council was seized of the matter is, I think, most regrettable, and the result of the Security Council vote last night equally regrettable.

There is also the danger — and I am sure that you are even more conscious of this than we are here — of a serious division within the Commonwealth in regard to your action, which will prejudice the unity of our association. The statement which the Government of India issued this morning is significant evidence of this danger.

Finally, and this is a matter of deep and abiding interest to Canada, the deplorable divergence of viewpoint and policy between the United Kingdom and the United States in regard to the decisions that have been taken, and the procedure followed, is something that will cause as much satisfaction to the Soviet Union and its supporters as it does distress to all those who believe that Anglo-American co-operation and friendship is the very foundation of our hopes for progress toward a peaceful and secure world. That co-operation and friendship, which you yourself have done so much to promote, has now served the world well for many years. It would be a tragedy beyond repair if it were now to disappear, or even to be weakened. It is hard for a Canadian to think of any consideration — other than national survival or safety — as more important. This aspect of the situation is very much in our minds here at the moment, as I know it must be in yours.

I have no desire, of course, to add by any words of mine to the heavy burdens you are already carrying, but I know that you would like me to tell you frankly, and as a friend, of my worries; and this I have tried to do.[119]

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114. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Inde

Secretary of State for External Affairs
to High Commissioner in India

TELEGRAM M-604 Ottawa, October 31, 1956

SECRET. IMMEDIATE.

Repeat London, Paris, Washington, Permis (Information).

A press despatch just received carries the story of Indian condemnation of the Israeli attack on Egypt. I have no quarrel with the Indian Government's decision in this matter but the contrast between its quick and strong denunciation of Israeli action with its complete silence over events in Hungary, and Russian intervention in these events, will have a very bad effect in this country.

L.B. PEARSON

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115. DEA/50134-40

Le haut commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1494 London, November 1, 1956

CONFIDENTIAL. IMPORTANT.

MIDDLE-EAST CRISIS

A course you might wish to consider following in the Assembly would be to do our best to ensure that the British and French intervention in Egypt is not examined under a spotlight narrowly focussed only on the recent events; but that it is examined in the fullest possible perspective both against the situation in the Middle East that led to the intervention; and against the past record of both countries.

2. The line of argument would run that in the fuller perspective, one still regrets, as you have already done, that the British and French thought it necessary to take the keeping of the peace into their own hands. But one must admit that peace needed keeping in the Middle East. That was because the members of UN had failed to discharge their collective responsibility. They had failed to protect life on both sides of the border. They had failed,

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[119] Note marginale :/Marginal Note:
(Delivered to Acting U.K. High Commissioner, 11:30 am, Nov 1) [Auteur inconnu/Author unknown].

too, even to enforce the 1951 resolution that the Canal be kept open to the traffic of all nations.

3. For those failures, all members of the UN are to blame. None has the right now to act the accuser or throw the first stone. We have in the past been too concerned with deciding who was to blame for the last incident and too little concerned with preventing the next. The lesson now to be learned is that the UN and the principles of the Charter have not failed us, but that we the members have not been true to those principles and have not given the organization the support it needs. We must turn our minds to more than finding a way out of the present dilemma, vital though that is. We must seek the way to a lasting settlement and be ready to make the sacrifices involved. We must work to prevent the recurrence of a situation such as this, where two powers have felt themselves obliged, rightly or wrongly, to intervene to keep the peace. Any permanent solution requires the co-operation of England, France, the Arabs and Israel, and of all of us. What we do now must not make such a solution more difficult but must contribute to it, and our eyes must be fixed on that goal.

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116. L.B.P./Vol. 39

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1496 London, November 1, 1956

TOP SECRET AND PERSONAL. MOST IMMEDIATE.

MIDDLE EASTERN CRISIS

Following for the Minister only from Robertson.[120] Yesterday morning Home asked me to come and see him. I told him what I had told Sir Norman Brook at Downing Street earlier that morning about our misgiving and dismay at the action his Government had taken. I found it difficult to say anything which did not sound an explicit endorsement of every criticism the opposition had made of Government policy.

2. He said, and I think he meant it, that he hoped I would continue to let him know frankly the feeling of the Government of Canada. I said we had had a bad three months in which I had found it difficult to explain to my Government the reasonableness of the policies his Government had been advocating and acting on since Nasser's seizure of the Canal. I was afraid that some of the foundations of the relationship between Commonwealth countries had been severely shaken. The UK and France had somehow got themselves into a truly tragic position. Neither of them had any closer friend and ally than Canada, but at this pass I could not see what we could do to help.[121]

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[120] Note marginale :/Marginal Note:
Seen by Mr. Léger [Mary Macdonald]

[121] Note marginale :/Marginal Note:
Mr. Pearson spoke to Mr. Robertson on [the] telephone after receipt of this telegram today i.e. at 10:30 a.m. Mary Macdonald

117. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], November 1, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of National Health and Welfare (Mr. Martin),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

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INTERNATIONAL SITUATION; REPLY TO UNITED KINGDOM PRIME MINISTER'S MESSAGE ON INTENTIONS OF UNITED KINGDOM AND FRANCE IN THE MIDDLE EAST; POLICY AT UNITED NATIONS ASSEMBLY

(PREVIOUS REFERENCE OCT. 31)

7. *The Prime Minister* read the message he proposed to send in reply to Sir Anthony Eden's communication on British and French intentions in regard to the situation created by the Israel invasion of Egypt.

8. *The Secretary of State for External Affairs* reported on further developments in the Middle East crisis. The General Assembly of the United Nations had been called to meet later in the day and he proposed to attend this session in New York. It was quite conceivable that a resolution would be presented, which would undoubtedly receive widespread support, condemning the United Kingdom, France, and Israel. It would be embarrassing to be faced with a motion drafted in extreme terms by the Arab-Asian bloc and endorsed by the communists. He hoped, therefore, that if such a resolution were moved a vote could be delayed and amendments proposed which would include a reference to the provocation which had led Israel and the U.K. and France to act in the manner they had.

There were indications in U.K. official quarters of serious concern at the direction in which events were moving, and it might be that the U.K. government would soon welcome a proposal calling for the cessation of hostilities, the convening of a widely-based conference on Middle Eastern matters and, in the interim, the provision of substantial police forces stationed on the Israel-Arab borders to keep peace.

As regards the General Assembly, he would report developments as they occurred, and seek the advice and assistance of his colleagues on the stand he should take at the meeting.

9. *The Cabinet* noted the reports of the Prime Minister and the Secretary of State for External Affairs on the situation in the Middle East and, subject to minor amendments, approved the message from the Prime Minister in reply to the United Kingdom Prime Minister's communication of October 30th on the United Kingdom and French intentions in the Middle East, and the policy, it was proposed to follow at the meeting of the United Nations later that day.

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118. L.B.P./Vol. 39

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1501 London, November 1, 1956

TOP SECRET AND PERSONAL. MOST IMMEDIATE.

MIDDLE EAST CRISIS

Following for the Minister only from Robertson.[122] Since speaking to you I have been in touch with Kirkpatrick, and have told him you were turning over in your mind the possibility of proposing a cease fire, to be followed by a major diplomatic conference to deal with the whole context of Middle Eastern and North African questions, and that as part of this approach it would be essential to set up an adequate UN military force to separate the Egyptians from the Israelis pending the establishment of stable and peaceful settlements of the outstanding Middle Eastern questions.

2. Kirkpatrick told me that in the speech he is going to make in this afternoon's censure debate, Eden will say, after referring to the fighting going on between the Egyptians and the Israelis: "But police action there must be to separate the belligerents and to prevent the resumption of hostilities between them. If the UN were then willing to take over the physical task of maintaining peace, no one would be better pleased that we".[123] This is not much, but it is something. It means, I take it, that the UK and France would be prepared to "hand over" the police task they have taken on themselves to a UN force strong enough to prevent the renewed outbreak of hostilities between Egypt and Israel pending the conclusion of a peace treaty which would guarantee the existence and integrity of the latter.

3. Kirkpatrick, who had Chauvel with him when I spoke to him, did not comment one way or another on the idea of a general diplomatic conference, but did stress that if Britain and France were to hand over to a UN force, it would have to be to a substantial and properly supported international force set up to maintain peace and prevent aggression in the Middle East, and not just a notional force thought up as a diplomatic gimmick to meet this evening's diplomatic requirements. I asked him if he recognized that a UN force set up between Egypt and Israel in present circumstances would contain a Soviet component, an obstacle you will remember that Eden and Lloyd stumbled over the last time we discussed

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[122] Note marginale :/Marginal Note:
Seen by Mr. Léger [auteur inconnu/author unknown]

[123] Voir/See United Kingdom, House of Commons, *Parliamentary Debates*, 1955-56, Fifth Series, Volume 558, column 1649.

something like this with them.[124] He said he did. I said it seemed to me that if a UN force were to be set up for this purpose between Egypt and Israel it would probably have to be on the frontiers and not on the Canal. He did not demur at this.

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119. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1081 New York, November 2, 1956

SECRET. MOST IMMEDIATE.
Repeat London, Washington, Paris, NATO (Information. Immediate).
By bag Cairo, Tel Aviv, Beirut, Ankara, Athens, Karachi.

PALESTINE EMERGENCY ASSEMBLY

We prefer to await the verbatim record before reporting fully on the debate which took place in the emergency special session in two meetings between five o'clock yesterday afternoon and five o'clock this morning. Instead it might be more profitable to report on the procedural and tactical developments. This will enable you to place in perspective the press reports on the proceedings. Yesterday morning we were informed by the USA Mission about arrangements for the emergency session.

(a) The Permanent Representative of Chile would take the chair since he was a representative of the same country as the President of the Tenth Session. The rules of procedure were mandatory on this point.

(b) The USA Delegation proposed to submit in its own name only a draft resolution along the lines of the one the USA had introduced in the Security Council. The new draft, however, would take note of the Anglo-French intervention in Egypt but would be "as easy as possible" on the UK and France. By these tactics the USA hoped to head off demands for a strong condemnation. Later in the morning the USA Mission informed us that Dulles would attend the session and would bring with him the final version of the USA draft resolution. For this reason we did not have the actual text until after Dulles had spoken, although we had received an earlier version on the phone from Heeney.[125]

(c) The UK and France were expected to contest the proceeding in the emergency session on the legal grounds they had raised in the Council. The USA Mission had asked all other Missions (except apparently old Commonwealth) to send a letter to the Secretary-General noting the Security Council decision and concurring in it. (About fifty were circulated). The USA hoped this would minimize the effect of the Anglo-French attempt to stimulate a procedural debate. This USA action was not intended to embarrass the UK and France but was taken because the USA believed that any legal argument in the Assembly could not but be regarded by world public opinion as stalling by the UK and France and this would only increase suspicion about their intentions. (In fact the UK and France merely mentioned their legal objections and both participated in the emergency session). The USA Mission fully understood that we might not wish to take a position on this procedural issue.

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[124] Voir/See Document 696.

[125] Le texte final de la résolution est reproduit dans Canada, ministère des Affaires extérieures, *La crise du Moyen-Orient, octobre-décembre 1956*, Ottawa: Imprimeur de la Reine, 1957, p. 11.
The final version of this resolution is reprinted in Canada, Department of External Affairs, *The Crisis in the Middle East, October-December, 1956*, Ottawa: Queen's Printer, 1957, p. 8.

2. Until shortly before the emergency session began we understood that it would continue at least until the weekend and we therefore envisaged that there would be an opportunity to discuss the whole matter behind the scenes to see whether a positive and constructive course of action would be developed. By the time Dulles began to speak, however, it was common knowledge that the USA and others wished to proceed to the vote on the draft resolution before the end of the night. The turn of events in Egypt demanded that some action be taken quickly. There was the continuing danger too that a less constructive proposal than the USA text might be put forward. These factors combined to stimulate opinion in the Assembly for an early vote. After Dulles had spoken there was an hour's recess for dinner. By that time there were about thirty speakers on the chairman's list. During the recess a decision was taken in the Afro-Asian group (and apparently agreed to by other members) to move a closure of the debate and to proceed to an early vote. The original idea was that after the motion three speakers on each side of the draft resolution would make statements and then the vote would be taken. Later after considerable confusion it was agreed that the parties directly concerned with the Middle East situation (Egypt, Israel, UK and France) could speak in addition to the other six. Mir Khan of Pakistan informed us that the Afro-Asian group would be happy to have Canada make the motion for closure. Because we were awaiting instructions concerning our position on the draft resolution and because we were not in agreement with the haste with which the proposal was being considered, the Minister declined. Later it emerged that Mir Khan himself would make the motion. He told us that one of the reasons why he agreed to do so was that he hoped to save the UK from violent attacks like those voiced by the Representatives of Egypt, Syria and Saudi Arabia.

3. Pakistan and other members, notably the Scandinavians and Turkey, were anxious to have Canada's support for the draft resolution. Accordingly Mir Khan agreed to withhold his motion for a while in the hope that the Canadian Delegation would have received its instructions in time to vote. Mir Khan actually made the motion, after consulting with us, before the Minister had spoken to the Prime Minister about the Canadian position on the draft resolution. However, because Eban made a long speech as one of the parties and because some of the other speeches were not short, the Canadian Delegation did receive its instructions in plenty of time for the vote.

4. It had been agreed that after the voting there would be explanations of vote. The procedure was complicated by the fact that several speakers led by the Italian wished to say something about the Hungarian situation, in particular about the letter which the Secretary-General had received (and which we shall discuss separately). A roll call vote was taken and the result was 64 in favour, 5 against (Australia, France, Israel, NZ, UK) with 6 abstentions (Belgium, Canada, Laos, The Netherlands, Portugal, South Africa) and one absent (Luxembourg).

5. Canada was the first country to explain its vote and although this took place about three o'clock in the morning, there was a large audience in the Assembly hall, including the public galleries, and the proceedings were still being televised in the New York area.

We shall report on the Canadian statement and on other matters of substance in a separate tel.[126]

6. You will have noted the operative para six whereby the Assembly decided "to remain in emergency session pending compliance with this resolution". This para, we understand, was added at the insistence of India. We are not sure of its full implication but we consider it possible that if the resolution is not acted upon by the parties directly concerned and if the situation in Egypt should deteriorate still further, the session will immediately reconvene. At the end of meeting early this morning the Chairman merely adjourned without any indication of when the next meeting would be.

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120. L.B.P./Vol. 85

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1086 New York, November 2, 1956

TOP SECRET. MOST IMMEDIATE. CANADIAN EYES ONLY.

Repeat London, Washington, Paris, NATO (Information. Immediate).

PALESTINE EMERGENCY ASSEMBLY

During the recess on November 1 of the emergency special session the Minister spoke to Dulles about the USA draft resolution and the proceedings generally. The Minister explained his apprehension about the haste with which the USA draft resolution was being pressed. Dulles said that it was essential to have some resolution passed because events were moving so swiftly that there was no telling what might happen if something were not done to arrest them. There was the possibility that the military operations by all parties concerned might be stepped up, increasing the danger to international peace. Moreover, there was the ever present possibility that the Afro-Asians might decide that the USA draft resolution was not strong enough and might press for sharper condemnations and essentially less constructive measures. This would exacerbate the situation.

2. In these circumstances the Minister said that he would not complain about the procedure being followed nor would he attempt in the short time available to improve the USA text. He pointed out, however, that he would have preferred to have any draft resolution before the special session contain a provision for the establishment of negotiating machinery, perhaps an Ad Hoc Committee of the Assembly with functions along the lines of those set forth in para 3 of Washington telegram 1978 Nov 1.† The Minister asked Dulles why this provision had been dropped from the current USA draft, since it was desirable to establish some means for trying to effect a settlement in the Middle East.

3. Dulles replied that the USA had not the time to work out the details of those ideas conveyed to Heeney in Washington. If time had permitted this, the proposals would have been left in the USA draft. Dulles enquired whether the Minister was prepared to make proposals along the same lines. The Minister said Canada was in favour of setting up some

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[126] La déclaration de Pearson est réimprimée dans *La crise du Moyen-Orient, octobre-décembre 1956*, pp. 11 à 13.
Pearson's statement is reprinted in *The Crisis in the Middle East, October-December, 1956*, pp. 8-10.

kind of UN machinery for a settlement and saw no purpose in merely working for a return to the status quo along the demarcation lines. Dulles said that if the Minister did make proposals of that kind, the USA would support them.

4. The Minister said that it would not be possible to make formal proposals in the short time available. Not only was the special session about to vote on the USA draft but the proposals themselves would have to be developed carefully and this would take more time. In addition to the establishment of a committee for working out a peaceful solution, the Minister pointed out, the Canadian Government had been considering the desirability and feasibility of establishing an international police force for maintaining strict order along the demarcation lines in Palestine. It would not be good enough merely to move the parties back to the demarcation lines and to hope that they would remain there without incident during the painful process of negotiating an overall settlement. It would be essential to establish an international force strong enough to see that order was maintained. This kind of proposal could be incorporated with the ideas advanced in Washington by USA officials but the formulation of concrete proposals could not be rushed. Accordingly in his statement the Minister proposed to put some ideas forward in general terms.

5. His object in doing so, the Minister said, was not only to stimulate interest in serious proposals for solving the complex problems of the Middle East but to provide the UK and France with a suitable basis for accepting the USA draft resolution. Something was required to enable the UK and French Governments to withdraw from their current involvement in Egypt without losing too much face. Canadian thinking, however, was not confined to getting the UK and France out of a difficult situation. This result would be in a sense subsidiary to the main aim which was to set in motion machinery for seeking a lasting settlement of the larger issues.

6. During the Assembly proceedings on the night November 1-2 it was not possible to develop these ideas to any extent. After talking to the Prime Minister about them, the Minister included some suggestions in his explanation of vote but in a very general way. Dulles, speaking a short time later, referred to the importance of a constructive and positive development of the situation "and not merely attempting to turn the clock back". He emphasized his complete agreement with what Mr. Pearson had said "and not only my personal agreement but the feeling of President Eisenhower with whom I talked a few hours ago about this aspect of the matter". He added that the USA Delegation "would be very happy indeed if the Canadian Delegation would formulate and introduce as part of these proceedings a concrete suggestion" along the lines Mr. Pearson had outlined.

7. By phone from New York the Minister had discussed his ideas with Robertson, who said that Lloyd, in a statement yesterday, had hinted that the UK might possibly accept the establishment of UN machinery for working out a settlement. (Dixon, in the special session here, said: "The first urgent task is to separate Israel from Egypt and to stabilize the position. That is our purpose. If the UN were willing to take over the physical task of maintaining peace in the area, no one would be better pleased than we. But police action there must be, to separate the belligerents and stop hostilities. In my [group corrupt] submission all members of the UN should earnestly bend their efforts to bring about a lasting settlement which can replace the Armistice Agreements which have now proved to be too fragile for their task of preserving peace and order in the Middle East.") It appeared that the UK Government might be interested in finding a way out of the difficulties in which it found itself. Robertson said that Lloyd would be talking to Pineau today (November 2); that both of them were worried about the way in which the whole matter had developed. They might well be in a mood to accept the kind of proposals which Dulles

and the Minister had discussed and especially if the Canadian concept of an international police force were part of the overall arrangement.

8. Robertson said that the UK had taken no decision as yet on the UN resolution. It might help them to accept it if concrete proposals could be formulated in advance. In a later conversation, however, Robertson agreed that it was not feasible to put forward in the next day or so a draft resolution. Instead the various ideas might emerge in a more precise and detailed statement.

9. The Minister, who will discuss the matter with Heeney, has asked us to prepare notes along these lines which might form the basis for a statement which the Prime Minister might make Sunday evening. We shall send this material to you as soon as possible.

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121. PCO/I-60-2

Note du sous-secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

TOP SECRET [Ottawa], November 2, 1956

We have just received the attached telegram from Mr. Robertson on the Middle East Crisis. I also spoke to Mr. Robertson on the telephone who confirmed that it was most likely, if they could bring the French along, that the United Kingdom Government would make what they termed a "liberal" reply to the General Assembly Resolution possibly before the day is over.

JULES LÉGER

[PIÈCE JOINTE/ENCLOSURE]

Le haut-commissaire au Royaume-Uni au représentant permanent auprès des Nations Unies

High Commissioner in United Kingdom to Permanent Representative to United Nations

TELEGRAM 97 London, November 2, 1956

TOP SECRET AND PERSONAL. MOST IMMEDIATE.
Reference: My 1501 to External of Nov 1.†

MIDDLE EAST CRISIS

Following for the Minister from Robertson. Selwyn Lloyd asked me to come to see him at 2.15 this afternoon. After reviewing the immediate and historic background of the Anglo-French decision to intervene in Egypt in terms on which I shall report separately, he asked me to let you know at once that he was very seriously interested in the suggestion attributed to you by the one o'clock radio news that a UN Police Force should be established in the Middle East. I did not have the text of your remarks at the time, but I showed him the text of my tel under reference, on which he made no comment.

2. Lloyd said he thought there were two indispensable conditions for the establishment of such a force:

(a) it would have to be accepted by both Egypt and Israel;

(b) the UN members contributing to such a force should undertake to maintain it in being until agreed settlements of outstanding Middle Eastern questions had been arrived at and were guaranteed by the UN.

3. I said that I thought the chances of such arrangements materializing would largely depend on the promptness and character of the Anglo-French reply to the resolution of the UN Assembly. I thought they should accept at once the call to cease military operations. The first phase of those operations was presumably completed by the blasting of Egyptian military airfields and the destruction of Egyptian military aircraft. They could claim if they wanted to that the results of this stage of the operation had at least temporarily altered the balance of striking power between Egypt and Israel, and had postponed what they had believed as an imminent threat to Israel. As far as I knew, and Lloyd did not correct me, there had not been any landings from sea or air on Egyptian territory. If they responded now to the call from UN, there might still be an opportunity for getting a UN Police Force established with the consent of the Egyptian and Israeli Governments, which Lloyd himself had said would be a pre-condition. If they went on with their scheduled landings and the occupation of the Canal Zone, this would be immensely harder to bring about.

4. Lloyd saw two major difficulties in the way of accepting the cease fire immediately. The first was what he described as the virtual impossibility of suddenly putting into reverse the elaborate combined schedule of air and sea movements by two forces. Secondly, the sudden abandonment of the Anglo-French effort to stop by force the Egyptian-Israeli fighting might have disastrous effects on the stability of other Middle Eastern Governments. I did not argue against the validity of either of these objections, but said that I thought the present position was so serious that he should do everything he could to convince his colleagues and Pineau, who is arriving at five o'clock this afternoon to discuss the Anglo-French reply to the resolution, that they should accept the UN call for a cease fire immediately.

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122. DEA/50134-40

Note de la Direction du Commonwealth et du Moyen-Orient pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Commonwealth and Middle East Division to Under-Secretary of State for External Affairs

TOP SECRET [Ottawa], November 2, 1956

UNITED KINGDOM REACTION TO CANADIAN VIEWS ON THE MIDDLE EAST CRISIS

Belgrave of Earnscliffe called on November 1 to hand us the statement in the House of Commons by the Foreign Minister[127] which has already been referred to you separately. He volunteered the information that he had read Mr. St. Laurent's Top Secret and Personal letter to Sir Anthony Eden, dated October 31, and that London was "aghast" at its tone. I asked him if Earnscliffe shared London's opinion. He said that they did not because the Canadian reaction as expressed in Mr. Pearson's Press Conference of October 30 and in the Prime Minister's letter had been anticipated by them because they were on the spot. In his view however it had come as a great surprise to London. I said that it was not appropriate for me to comment upon the substance of either the Prime Minister's or the Minister's statement but that I did think that London's reaction, if correctly reported, suggested a really surprising lack of understanding of the basic Canadian political climate, especially in view of the visits paid to us by senior United Kingdom officials and statesmen during recent months.

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[127] Voir/See United Kingdom, House of Commons, *Parliamentary Debates*, 1955-56, Fifth Series, Volume 558, columns 1564-1571.

2. Belgrave made no comment except to observe that this was the first occasion on which Canada had "parted company" from the United Kingdom in public on such a crucial issue but that he hoped that having done this it would now be possible for us (by which he meant Canada and the United Kingdom) "to pick up the pieces".

3. I said that I could assure him from our experience of the Minister's modes of thought, and his political philosophy, that any action which might be initiated by him would be bound to be positive and constructive.[128]

G.C. McINNES

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123. DEA/50134-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1875 Paris, November 2, 1956

SECRET. IMMEDIATE.
Reference: Our tel 1864 Nov 1.†
Repeat London, Paris, Washington.

SITUATION IN EGYPT AND PALESTINE

We received a copy of your telegram K98 November 1[129] to New York in time for Council meeting on November 2. As we suggested in our tel under reference, opinion in Council proved to be most receptive to that line of thought. News of emphasis given by Butler in the British House of Commons and apparently by Dixon in New York concerning British willingness to turn their "Police Action" over to UN if the latter could enforce a solution had done much to prepare the ground for our comments in Council.

2. USA Representative referred to a statement apparently made by Dulles emphasizing the complete agreement of USA Government with your suggestions.[130] It was still the general view of course that the UK and France had gravely prejudiced their case unnecessarily by their method of handling their intervention.

3. The question of Soviet participation in policing a solution arrived at through UN was discussed briefly but Permanent Representatives could only give personal views. There

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[128] McInnes a ajouté la note suivante à la main :/McInnes added the following note by hand:
This morning Belgrave called to say that Earnscliffe had been "considerably cheered" by the Minister's [November 2] statement in New York.

[129] Le télégramme K98 retransmet le document 115.
Telegram K98 retransmits Document 115.

[130] La déclaration de Dulles est réimprimée dans *La crise du Moyen-Orient, octobre-décembre 1956*, p. 13.
Dulles's statement is reprinted in *The Crisis in the Middle East, October-December, 1956*, p. 10.

was no clear opinion as to whether such participation was likely, and what attitude should be adopted in the event of its being offered by the Soviet Union. However, it was interesting to note that the UK Representative cautioned against the view that such a possibility should be rejected. He underlined that UN or any other group assuming responsibility for resolving the present conflict must be prepared to undertake the necessary forceful measures.

4. The German Representative spoke for the first time in these discussions stating that the Federal Republic considers that the Middle Eastern problem cannot be solved without at least the availability of the means to enforce any proposed solution. However, in his view it would be preferable for the British and French action to continue rather than envisage the possibility of Soviet participation in any police action arranged through the UN.

5. The only other statement of interest today was made by Belgian Representative concerning talks between Spaak and Shepilov. Apparently Spaak had emphasized the inseparability of the Suez problem and that of the present open hostilities, a view which Shepilov vehemently opposed. De Staercke considered that any action now taken under the UN must include the problem of Suez.

6. Neither French nor British Representatives could offer anything further on the military situation apart from the obvious suggestion that present air activities would probably be supplemented by other activities in the course of the next few hours. Council will meet again tomorrow.

[L.D.] WILGRESS

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124. DEA/50372-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 1990 Washington, November 2, 1956

SECRET. MOST IMMEDIATE. CANADIAN EYES ONLY.
Reference: Our tels 1988† and 1989† Nov 2.
Repeat London, Permis, Paris (Information. Immediate).

UN ASSEMBLY; ACTION ON MIDDLE EAST

The Secretary of State asked to see me this afternoon concerning proceedings in the Special Assembly. He showed me at once two "working papers" in the form of draft resolutions, the one related to the Suez Canal, the other to Palestine. The text of each are repeated in my two immediately preceding telegrams.[131]

2. As I have just reported to the Under-Secretary by phone, Mr. Dulles is thinking of having to introduce resolutions along these lines as early as tomorrow (Saturday, Novem-

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[131] Les États-Unis ont fait circuler le 3 novembre des projets de résolutions qui s'inspiraient de près de ces documents de travail. Voir United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume XVI, pp. 960-963.
The United States circulated draft resolutions closely based on these working papers on November 3. See United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume XVI, pp. 960-963.

ber 3) afternoon, or perhaps Sunday. Otherwise he fears that the initiative will be lost to those who are already rumoured to be preparing resolutions of a condemnatory character, involving sanctions, etc. against the UK and France.

3. Dulles and his advisers (Phleger and Elbrick were with him) believe that it is the part of wisdom to divide the two subjects and keep them separate so far as possible. With regard to the Suez Canal, the Secretary is optimistic that a proposal along the lines of his Working Paper 1, would receive wide support. He would be prepared to gamble that the UK itself would welcome it, and Egypt, after the events of the past few days, may be similarly disposed.

4. Dulles is thinking of a Three Man Commission for the Suez Canal, to consist of Pearson, Lange and an Asian (or perhaps Popovic). The manning of the second Five Man Commission for Palestine would be on a geographic basis.

5. Dulles conceives of these resolutions as being the second element in the strategy initiated in the Special Assembly yesterday by the US resolution. In this connection he continues to recognize the force of your own argument. He feels that the action taken so far has avoided something much worse. But we must now press on to the next stage to provide for political settlement in these two main areas and we have not much time.

6. I put to the Secretary the points you had made to me earlier this afternoon, on the phone from New York. A primary objective was to realign the UK and the US; this meant that there must be opportunity of ensuring UK acquiescence, if not support. We were in urgent touch with London. It was important to avoid taking up a fixed position too soon until sufficiently wide support was reasonably assured. I explained our own Government's timetable for the weekend and emphasized the advantage which might be derived from at least a minimum period of deliberation with our friends. I also described your own preliminary thinking with regard to a UN "Police Force" and the convening of a general conference and/or a relatively small ad hoc committee to work out a Middle East political settlement.

7. Dulles was not unsympathetic to these views (except that he clearly disliked the suggestion of a general conference on Middle Eastern affairs). But again he emphasized the severe time limitations under which we were working. With respect to a UN force, he thought this would take quite a long time to work out, though he did not exclude it as part of an ultimate solution.

8. Finally, the Secretary said that he would very much welcome your reactions to his proposals, as well as any reactions which we could get from London. At the same time he said that we would, of course, recognize that the USA were free to proceed without further reference to us if they felt they must do so. Incidentally, he said that he would welcome our co-sponsorship. There is, however, no doubt that the USA intend themselves be sponsors.

9. In the interests of speed we thought it necessary to repeat the texts of the two working papers and this telegram to London, Permanent Delegation New York and Paris Embassy for their info only. Any instructions thereon to them will of course have to come from you. We agreed with Dulles that discussions in London should include the whole of the USA proposals but should not involve communication of draft texts at this stage.

10. You will note from para 8 that we were not asked to take any initiative in Paris.

[A.D.P.] HEENEY

125. DEA/50134-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations to Secretary of State for External Affairs

TELEGRAM 1091 New York, November 3, 1956

SECRET. MOST IMMEDIATE. CANADIAN EYES ONLY.
Reference: Our tel 1086 Nov 2.
Repeat London, Washington (Information. Immediate).

PALESTINE EMERGENCY ASSEMBLY: MIDDLE EAST POLICE FORCE

This tel contains our preliminary views on this subject. The USA working papers contained in Washington telegrams 1988-90 relate to the establishment of machinery under UN auspices for dealing with the Middle East crisis. The USA would like to separate the Suez and Palestine issues. They are working along lines which we discussed here with the Minister, that is, establishing a small body with power to discuss the issues with the parties directly concerned, to recommend measures for settlement and in consultation with the Security Council and the General Assembly to see that the agreed plan is implemented.

2. Clearly the negotiating group cannot achieve a solution of these complex problems in a short time. It may take months. During the period of negotiation it will be absolutely essential to maintain a cease-fire and withdrawal of troops upon which all this process of negotiation is predicated. It would be absolutely necessary to restrain elements on both sides of the demarcation lines in Palestine and while this may be the most important policing operation, it may also be necessary to maintain law and order in the Canal Zone. Accordingly, parallel with measures which are being developed for negotiating a settlement, it would seem desirable to take steps at once to establish an international police force under UN auspices which could be employed in the area to maintain law and order during the process of negotiation.

Directing Authority

4. One of the difficult questions is what body or person will be responsible for giving orders to this police force. The Security Council as the executive body of the UN is an obvious choice but the problem of the veto is equally obvious and in this case it is not only the veto of the USSR which might cause difficulty. It seems essential, however, that the Great Powers must be agreed on the steps to be taken to solve the Middle East crisis. It is inconceivable that settlement can be reached on any other basis. Accordingly the Council's authority could be brought into the picture at some stage.

5. In addition it will no doubt be necessary for the police force to act in close harmony with the negotiating group or groups. The attitude of the parties during the process of negotiation might well give warning about violations of the cease-fire arrangements. The negotiating group would no doubt wish to be in a position to head off any dangerous situation by the rapid employment of the police force.

6. The link between all the proposed measures surely will be the Secretary-General. It may well be therefore that the primary responsibility for alerting and using the police force should rest with the Secretary-General. He would act in much the same capacity as he has acted with respect to the UN Truce Supervision Organization. He would of course act in

close consultation with the negotiating group or groups and with the Security Council and if necessary the General Assembly. But the executive act would be his and he would be in a sense an International Police Commissioner.

Composition of the Force

7. This is also a difficult question. General Burns estimated at one time that the force needed in Palestine would not have to be too large as long as it had freedom of movement and freedom to act. And here we should emphasize that the International Police Force must be able to act with or without the consent of the parties concerned. There can be no question of a return to the hampering conditions imposed on UNTSO by the Armistice Agreements of 1948. With this in mind we suggest that the force should be not too large, but compact, mobile and hard-hitting; perhaps a divisional group completely mechanized, with a paratroop element with a supporting air arm would be sufficient. (Military experts can suggest the detailed organization). For greater efficiency this force must be drawn from a few countries with the most up-to-date forces rather than from many countries with less advanced armies. It would be essential to exclude from the force the UK and France. It might be desirable to exclude the USA and the USSR. There would also be a problem if forces from colonial countries were included. All these qualifications narrow the field from which the force could be drawn. The following countries are possible: Australia, Brazil, Canada, Czechoslovakia, Greece, India, NZ, Norway, Pakistan, Poland, Sweden, Turkey and Yugoslavia. The list might be reduced further because Australia and NZ, for example, have been too closely associated with UK, because Pakistan has been associated with Egypt, because Greece has been so strongly anti-UK. With the current situation in Eastern Europe it might be impracticable to draw forces from there. Brazil, Canada, India, Norway, Sweden, Turkey and Yugoslavia might be unexceptionable.

8. We believe that the forces contributed by the various member nations should be as far as possible self contained units. There should be a fairly large contribution by one or two of the contributing countries to establish a clear-cut claim to command. Perhaps, for example, the bulk of the mechanized infantry could be supplied by India, the air force and paratroops by Canada, the artillery arm by Norway and Sweden.

9. We have included India in our calculations because we consider that Nehru's oft-expressed desire to be a peace maker should be translated into effective action and because India is the one Afro-Asian country with military forces qualified to carry out the tasks we have in mind. It seems to us important that India should be part of the settlement machinery in this Middle East crisis and be committed with the Great Powers and others in working for conditions which would ensure an overall and a lasting settlement.

Methods

10. For the organization of the police force the UN would have to establish a small committee of experts, political and military. The Secretary-General might be authorized to produce proposals in consultation with General Burns. The expert committee might be drawn from the same countries who would comprise the committee which the USA is proposing for the settlement in Palestine but we should have to know the composition of that committee before making any final recommendation. The force cannot be organized overnight but the machinery for organizing it could be set in motion almost immediately. Perhaps as an initial step the Secretary-General should begin his studies at once.

11. The starting point should be a resolution of the emergency special session of the General Assembly. This resolution should be correlated with the USA resolution calling for a cease-fire and withdrawal and the resolutions which the USA is contemplating concerning the Suez and Palestine issues. The resolution on the police force should reaffirm

the cease-fire and withdrawal of forces, since these are the basic conditions which must exist before the police force could begin to act. The preamble of the resolution should presumably refer to the negotiating machinery which is being established and to the necessity of maintaining law and order in the area pending the successful outcome of the negotiations. The operative part of the resolution should include a decision in principle to establish a UN International Police Force, a provision establishing a committee of experts to produce recommendations, a direction to the Secretary-General to produce studies in consultation with UNTSO and perhaps with member governments, a call to all members to cooperate fully with these measures, a request for an early report.

12. When the Committee of Experts and the Secretary-General had reported back to the General Assembly it would be necessary to pass a further resolution providing for the actual establishment of the force. To give the necessary urgency to these proposals the first resolution should perhaps contain a deadline for the report by the Committee of Experts and the Secretary-General.

Sponsorship

13. Problem of sponsorship exists. Canada could introduce this resolution on its own but because of our links with the UK and France and of the position which Canada adopted on the USA resolution of November 1, there is some possibility that the Afro-Asians, in particular, might think that the Canadian proposal for a police force was designed to assist the UK and France out of their difficulties. Since as well the proposal for an International Police Force is open to the charge of "collective colonialism" it would be desirable to have the resolution introduced by a number of countries whose reputation in the field of colonialism is unassailable. Canada is certainly one of these. Norway, Sweden, Iran, Burma, India and Pakistan are others. Tentatively we have been considering whether the resolution on the police force could be introduced by Canada, Iran and Norway. The Norwegians appear ready to do so. It might be desirable to include one or two other countries but because of the complexity of the issues involved it would be desirable to keep sponsors at a minimum. Before introducing the resolution setting up the force (that is the second one contemplated in para 12), it would be necessary to canvass very carefully the countries which might be affected by the UN police force, both those in whose territory the force would be required to operate and those who would be expected to contribute to the force. At the same time it would be absolutely essential to consult fully on the subject with the Four Great Powers (but particularly the USA and USSR) and the Secretary-General.

126. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], November 3, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of National Health and Welfare (Mr. Martin),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of National Defence (Mr. Campney)
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin).

INTERNATIONAL SITUATION; MIDDLE EAST; HUNGARY; POLICY AT UNITED NATIONS

(PREVIOUS REFERENCE NOV. 1)

1. *The Secretary of State for External Affairs* reported on the latest developments in the Middle East situation. The United States intended to introduce two resolutions in the U.N. General Assembly over the weekend to establish committees at once, with mandate to settle the Palestine question and the Suez Canal dispute. He thought that by themselves, these proposals did not go far enough as there was no provision for the constitution of a police force to prevent fighting until settlements were reached. Pending the setting up of such a force on a long-term basis, the combatants should be requested to accept the stationing between them of limited police forces organized immediately under U.N. auspices.

The United Kingdom and France had said they would suspend their military intervention provided a truce force was established and Egypt and Israel agreed to having such a force to keep the peace. If the U.K. and France would agree that the force should include detachments from other countries and all be landed under a U.N. military command, there was a good possibility that the General Assembly would give substantial support to such a plan. The chances of success would not be great, however, if the U.K. and France landed in strength and there was heavy fighting.

2. *Mr. Pearson* said that, as regards Hungary, the Russians were now re-occupying the country and were showing the true character of their régime. The action of the British and French in the Middle East was all the more deplorable in that it prevented the free world from taking a united stand, which would probably have had much Asian-Arab support, against this naked aggression.

3. *The Prime Minister* noted that a contribution to a U.N. police force in the Middle East would require Parliamentary support. Although long-term arrangements might not be worked out for some weeks, it might be desirable to summon Parliament soon if Canadian forces were to participate in any police action to be authorized in the near future.

4. *The Cabinet* noted the reports of the Prime Minister and the Secretary of State for External Affairs on the situation in the Middle East and Hungary and the policy suggested for further meetings of the United Nations.

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127. L.B.P./Vol. 39

Note de l'ambassadeur aux États-Unis

Memorandum by Ambassador in United States

CONFIDENTIAL [Washington], November 3, 1956

MIDDLE EAST CRISIS

This is a summary of a number of conversations I have had today with the Under-Secretary and the Minister, at the Ottawa end, and Elbrick, Acting Assistant Secretary for European Affairs in the State Department, concerning proceedings in the U.N. Special Assembly, consequent upon the British and French reply to the Assembly's Resolution of November 2nd.

2. Prior to this morning's Cabinet meeting, the Minister was considering how advantage could be taken of the terms of the Franco-British reply to initiate "police action". He had asked the Acting U.K. High Commissioner to ascertain whether his Government would be willing to accept at once token U.N. detachments and a formal relationship with the organization of General Burns. I communicated this to the State Department, arranging to see them later as the Cabinet meeting progressed.

3. Léger called me at 11.30 a.m. to say that the Cabinet approved our proposed U.N. police action in two stages — in the short term to be conducted by troops immediately available, but not exclusively British and French. (We would hope for a U.S. contingent — Canada would help); these to remain between Egyptian and Israeli forces until a longer term U.N. police force could be provided for.

4. If the U.S. Government thought this approach in any way promising we would try to convince the U.K. Government to agree and undertake that there would be no landing until the U.N. Assembly had passed a Resolution providing for police action in the above sense.

5. A Resolution in the above sense might be the first of three to be presented immediately; the second two to be based on the U.S.A. working papers of the previous day.

6. Ottawa contemplated such a Resolution to be sponsored by Canada with United States support, or by the United States if they would be willing to take it on.

7. The State Department reaction to this proposal was interested but sceptical. Elbrick saw Hoover (the Acting Secretary — Dulles had just gone to the hospital with appendicitis) and told me that it had just been decided at the White House that the U.S. Delegation would go ahead at once with their two Resolutions on Suez and Palestine, respectively. Our proposal offered obvious difficulties. Although they were anxious as we were to extricate the United Kingdom from her present position, it was important that they should not give ground for the charge of collusion to that end. This might deprive them of such sanction as they had in their present position. Furthermore, they were sceptical that the landings could be stopped at this stage and the addition of token forces to the Franco-British occupation might be taken as legitimizing the present operation. It would be taken as an attempt to give U.N. auspices to the action to which the majority of the U.N. took exception.

8. Mr. Pearson called me after the Cabinet meeting (the above report having been communicated to him) to say that Cabinet had now approved a somewhat different approach. The new proposal would involve the immediate establishment by the Assembly of a Committee of Five, to consider and report within forty-eight hours upon the immediate establishment of an "intervention force". The Committee might consist of India, Brazil, Yugoslavia, Sweden and Canada (or one of the other "abstaining" nations). Alternatively the United States might take the fifth slot, which would mean that all five were supporters of the Resolution of November 2.

9. The intention would be to move this Resolution this evening (a session having now been called for) and seek to obtain priority for it. We were immediately proposing this in London, urging that the landings be deferred pending an attempt to have the United Nations act on this basis. If we could obtain Indian support, or even sponsorship for such an initiative this would obviously be of great importance. I communicated this immediately to Elbrick and Hoover at the State Department and told them that I would let them know what response we had from London. I also said that the Minister would probably be flying to New York this afternoon to attend the evening Assembly.

10. Léger later in the afternoon confirmed that Mr. Pearson was going to New York. He told me that preliminary reactions from London to the line we were proposing to take were favourable. I could so indicate to the State Department, in very general and guarded terms. The Minister would, of course, wish to know as soon as possible the further reactions of the U.S. Government to the initiative we were proposing to take.

11. At about 5.30 p.m. I received a call from Murphy, the Deputy Under-Secretary of State, asking if I would go down and discuss the matter further with him, Elbrick and other officials concerned. Rae and I were at the State Department until shortly before 7 o'clock. In addition to Murphy and Elbrick, Phleger, the Department's Legal Adviser, was present.

12. Murphy and his colleagues were obviously interested in our proposal as it had developed. They made a number of suggestions for possible amendment of our latest draft Resolution, of which I gave them copies (copy attached). These suggestions were as follows:

(a) Phleger thought it important that agreement of the parties concerned should be provided for in the Resolution;

(b) he also thought consideration might be given to omitting the reference to recruiting "from national military forces immediately available"; and

(c) it might be that the reference to the police force should be incidental only; that is to say, the Committee might be given the general task of recommending means for carrying out the U.S. Resolution of November 2.

13. We undertook to communicate the U.S. suggestions to the Minister in New York, and Murphy said we could definitely indicate to Mr. Pearson that the U.S. Government thought our approach promising, and one which (without commitment) they would be able to encourage, provided general support in the Assembly were forthcoming. The State Department would immediately communicate the result of our discussion to the U.S. Delegation in New York. On the essential question of delaying the Franco-British landings, Murphy confirmed the intelligence report we had had indicating a disposition in London to suspend operations. I undertook to communicate to the State Department the London reaction when we had it.

14. I called Léger on our return from the State Department. He told me that the response of the U.K. Government to our initiative had been encouraging. Robertson had seen Selwyn Lloyd, the Foreign Secretary, shortly before and had now informed Léger that the U.K. Prime Minister would accept our draft Resolution, with a few minor changes, and

subject only to the terms of the two U.S. Resolutions which he had not at that time seen. The Under-Secretary authorized me to inform the State Department that, as a result of Robertson's conversations in London "we were confident" that the British (and French) would not begin their landings before tomorrow might (November 4) and, further "we believed" that if the Assembly took action along the lines of our Resolution, no landing would take place during the period that recommendations for an international police force were being worked out. (This I took to be the forty-eight hours mentioned in the draft Resolution).

15. I immediately telephoned Elbrick in this sense and asked him to see that this important information was communicated immediately to the Acting Secretary of State and to the President. This Elbrick undertook to do at once. This was at about 7.30 p.m.

16. I had no further contact on November 3rd with the State Department, and the Assembly proceedings went forward to passage of the amended Canadian Resolution at about 2 a.m. November 4th.

[PIÈCE JOINTE/ENCLOSURE]

DRAFT RESOLUTION—CANADA

The United Nations General Assembly bearing in mind the urgent necessity of implementing Resolution No. ____ of November 2;

RECOMMENDS that a Committee of Five Members of the Assembly be appointed to submit to it within forty-eight hours a plan for the setting up in the Middle East of an emergency international United Nations police force recruited from national military forces immediately available and adequate in number to carry out the purposes of Resolution No. ___.

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128. L.B.P./Vol. 39

Note de la mission permanente auprès des Nations Unis pour le secrétaire d'État aux Affaires extérieures

Memorandum from Permanent Mission to United Nations to Secretary of State for External Affairs

SECRET New York, November 3, 1956

Mr. Léger has just telephoned the following message from Mr. Robertson.

2. Robertson had shown the draft resolution to Lloyd and Lloyd had taken it up with Eden. With one small change Lloyd gave the impression to Robertson that the resolution was welcome and that he (Lloyd) thought they might be able to vote for it. He did not much like the membership of the proposed committee but he might be willing to accept it. He would not promise that there would not be any landings.

3. The following is the change in resolution which was proposed by Eden.

After the words "adequate in number" delete the following words "*to carry out the purposes of resolution No. ?*".
and
Substitute the following words: "*to procure a cessation of hostilities between Egypt and Israel pending a general settlement of all outstanding problems in the area to be guaranteed by the United Nations.*"

4. Eden said that he did not think he could honestly say now that they could support this resolution because, he said, he does not know anything about the two United States resolutions. It is not that, at the moment, he is opposed to the Canadian resolution, but that it must be considered along with the two United States resolutions before he can say what his attitude would be. It is therefore still possible that the United Kingdom may be able to support it when they have studied it with the two United States resolutions.

5. Léger also passed this message from Mr. Heeney who had discussed the resolution with Hoover. The United States is very much interested but Hoover had three suggestions:

(1) He thought it would make it more palatable to insert after the phrase "within 48 hours a plan", the words "*with the agreement of the parties concerned*".

(2) He thought we should omit the phrase "*recruited from national military forces immediately available*". The idea of this was that it might well be that in the end United Kingdom and French forces will be used but it should be up to the Committee to decide what forces and this need not be mentioned in the resolution.

(3) On a point of general interpretation, the Americans would hope that the Committee would be able to consider any means to implement the resolution and not only the setting up of an international police force.

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129. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1096 New York, November 4, 1956

SECRET. MOST IMMEDIATE. CANADIAN EYES ONLY.
Repeat London, Washington (Information. Immediate).

MIDDLE EAST CRISIS: EMERGENCY UN FORCE

At the Secretary General's request, the Minister and Representatives of Colombia, India and Norway met at UN Headquarters on November 4 to discuss the Canadian resolution adopted by the special session of the Assembly earlier this morning on an emergency UN force. The Secretary General is required to produce by tomorrow night (November 5) a plan for the setting up of an emergency international UN force. The special session will meet again tonight (November 4) at 8.00 o'clock to consider another report by the Secretary General called for in the nineteen power resolution, also adopted by the special session early this morning.

2. The meeting this morning in the Secretary General's office was attended by representatives of some of the States which had supplied military observers for service in Palestine or military units in Korea, and which had supported the Canadian resolution on the emergency force. Great Power representation was excluded for the time being. As the Secretary General explained, he considered he had a mandate to consult with representatives of any member government and that he would do well to start his consultation with this small group which might represent countries directly involved in the establishment of the emergency force.

3. The Secretary General hoped from this meeting that he would get the best possible advice on how to proceed with the stiff mandate he had been given. He proposed to regard the representatives present as sort of [an] advisory committee but he would be consulting with other delegations and personalities. For the time being he was leaving aside the question of whether permanent members of the Security Council should be consulted.

4. A related question in the Secretary General's mind was the need to obtain the consent of Governments which would contribute to the emergency force. It might be that in time the force would contain at least token participation by a large number of States but in the initial stage it was likely that only a few countries would be represented on the force. He considered that contributions from the four Governments represented at the meeting would under all circumstances give the force the "proper accent", representing as it would Scandinavia, Asia, Latin America and North America. Reverting to the question of consent, he hoped that in this consultation phase the representatives participating in the meeting would keep in close touch with their governments to enable them to make their position known at short notice.

5. In deciding the composition of the emergency force, the Secretary General was obliged to bear in mind not only political considerations but practical ones. There were political reasons why some States should not contribute to the force, at least at this stage; there were practical reasons why some States must contribute in the initial stage. He wished to make clear that he envisaged a two stage programme for establishing the UN force. (a) As an immediate step it was necessary to place in the area as soon as possible an emergency force to separate the opposing forces (Egypt and Israel). There would also be the task of policing the withdrawal of Israeli forces from Egyptian territory. These were tasks of high priority and ones which should be assigned to an emergency force; but (b) while efforts were being made to reach a lasting settlement in the Middle East (for both the Suez and Palestine issues) it would be necessary to keep a UN force in position to maintain peace and order particularly along the lines of demarcation. A subsidiary question would be how the transition from the emergency force to the long term UN force could be effected. States contributing to the emergency force would wish to be assured that they would not be required to continue their contribution, at least on the same scale, to the long term force.

6. The Secretary General believed that he should concentrate for the moment on the immediate steps for setting up the emergency force. He pointed out that a UN command could be set up at once. He had in mind that Burns would take on as a temporary assignment the task of Commander-in-Chief. Burns would choose from officers serving with UNTSO a nucleus for a command staff. He could draw upon officers who had been serving with the Egypt-Israel Mixed Armistice Commission. Perhaps twenty-four officers might be available but this group could form the core of a UN command. He had cabled to Burns for his views.

7. The next urgent step would be to get troops into the area. The Secretary General wondered what the representatives present might estimate to be the time required. He believed it might take as long as two weeks to assemble the emergency force required for the immediate tasks. This led him to throw out for suggestion that UK and French troops in the area might be employed on a very temporary basis and exclusively under the UN command. Then as troops from contributing countries arrived, they could be substituted for the Anglo-French forces on the ground.

8. This provoked an immediate reaction from Lall, who said that the Afro-Asians would never accept UK and French forces in the emergency force. It would discredit the UN to do

so and create the impression that the proposal for an emergency force had been made to cloak with respectability the impending occupation of Egypt by Anglo-French forces. Later in the meeting the question was raised about what should be done if the UK and France proceed with their plans to land troops. Lall recognized that this would create a very difficult situation but stated emphatically that the Anglo-French troops should be regarded as "untouchables". This Indian reaction was of course to be expected and we have no reason to doubt that Lall was saying moderately what the Egyptians and others would denounce in violent terms.

9. The Minister explained that until yesterday we had not devised a resolution on the emergency force, that we were still thinking through the implications of establishing a force in the area. We had, however, been encouraged from contacts during yesterday to make the move which had a two-fold purpose (a) to discourage or at least postpone the landing of Anglo-French forces in Egypt; (b) to discourage the Israelis from concluding that they could settle down in the occupied Egyptian territory. To accomplish these purposes it was necessary to act quickly and because of the haste, the action taken may have been inadequate. We had, however, succeeded in passing a resolution which the UK and France had not opposed and this represented a not unimportant change, for the first time, in their attitude. It was also of significance that nobody had voted against the resolution. And the task now before the Secretary General and the national representatives at the meeting seemed almost impossible. But the nature of the crisis was such that it was essential to do something to try to save the situation.

10. The Minister said that our ideas about the emergency force were much the same as those expressed by the Secretary General. We had in mind the two-stage approach. We believed that the establishment of the UN force should be linked with an effort to reach political settlements in the area. It was very necessary to keep this two stage approach in mind because it had a very direct bearing on the contribution which States might make to the UN force. Canada, for example, would be very reluctant to participate in the emergency force if we thought it would develop into a long term commitment which might result in little more than maintaining the unsatisfactory status quo, perhaps until another explosive situation developed in future. For this reason it was most desirable to see that action, linking the political settlement with the emergency steps we were now contemplating, was initiated quickly.

11. The Minister gave support to the Secretary General's views concerning the UN command and concerning the immediate tasks which would face the emergency force. He expressed hope that not only could the Egyptian and Israeli forces be kept apart but that the Israelis could be rolled back to the demarcation line. He admitted as regards the latter that the difficulties were great. The Minister said that the question of security of the Canal was largely a matter of freedom of transit and this was a technical problem for the moment. As a later step, of course, political questions concerning the Canal would have to be settled.

12. The Minister referred to the question of Anglo-French participation in the emergency force. He recognized that some delegations had voted for the Canadian resolution on the assumption that the UK and France would not be involved. Canada did not necessarily share this assumption because it was possible that if the Anglo-French troops should land, it might be desirable to bring them immediately under UN command at least until forces from other countries could be brought in. It is clear, however, a difficult political question was involved and perhaps the most profitable course would be to pursue alternatives to Anglo-French participation.

13. The Canadian Government agreed, the Minister continued, to the establishment of a UN force under UN command and, certainly as regards the long term force, we shared the view that permanent members of the Security Council should not contribute. There would be a psychological advantage in making this clear at once because it might facilitate what had to be done in the first stage. It was very desirable to have on the ground as quickly as possible at least a token UN force. Mr. Pearson said that the Canadian Government would be willing to participate in a UN emergency force and that there were Canadian forces in Europe which could be used. However, the Canadian Parliament might have to be called into session to agree with any such participation and there would have to be a decision as to the numbers, et cetera, depending to some extent on what others did. But Canada would do its part. We envisaged, too, that the USA might contribute to the emergency force because USA forces were immediately available in the area.

14. Lall reverted to the question of Anglo-French participation and argued with some force that if such participation was even contemplated, it would be tantamount to a polite invitation from the UN to land troops at once. It was most important to convince the UK and France that there would be a UN force and that they would not be part of it. Lall saw no difficulty about USA participation in the immediate stage. He agreed, too, that for the time being it might not be possible to assemble troops quickly from more than three or four countries. He agreed that the force should not have a strongly Western or NATO accent. He could not commit his government but he conveyed the impression that India might be ready to participate in the force. The Minister made the point that if almost at once a small force from India and a small force from USA were to proceed to the area, there would be great compulsion on the UK and France to withhold their hand.

15. There was some discussion about when the UN command should be set up. The Secretary General believed that it could be established almost immediately. Before the end of the meeting, he and the others agreed that he could report this to the special session tonight (November 4). The psychological effect of this announcement could be most useful. It would be even better if some countries could indicate either at tonight's meeting or tomorrow that they would make available troops for the emergency force. There was some discussion about the countries from which contributions to the force might be made. Canada, India, Norway, Sweden and USA were considered as immediate prospects. Brazil, Colombia, Ethiopia, Pakistan, The Netherlands and Yugoslavia were considered possible contributors. It was not impossible that Turkey might contribute during the emergency period.

16. It was agreed by all that the toughest problem facing the special session and the emergency force would be the task of securing the withdrawal of Israel's forces from Egyptian territory. Bunche pointed out that such a move would be contrary to Ben Gurion's long-held thesis about the function of the UN in Palestine. It was an open question whether sufficient political pressure could be brought on Israel to achieve the withdrawal. At the end of the meeting, the Secretary General read a press report from Jerusalem which indicated that Israel would not accept the presence of an emergency force in the "conquered" Egyptian territory. The Minister pointed out that this reaction was to be expected and while it made the situation more serious, it should not deter the UN from pursuing the course it was following. It was undoubtedly true that Israel might use the Egyptian territory for bargaining purposes but if the proposals for a political settlement were pressed, there would be many advantages to Israel, like the security of its borders, the use of the Suez Canal and of the Port of Elath, all of which offered considerable inducement. One of the real worries, the Minister said, was whether the Israelis would try to

improve their bargaining position by further invasion of Arab territory, either in Syria (there have been some disturbing indications in this regard) or in Jordan.

17. About the end of the meeting, the Secretary General said that the USA had offered to provide aircraft for the air lift of troops needed for the emergency force. Lodge was enthusiastic about the Secretary General's report on the meeting this morning. It was generally agreed by those participating that the meeting was encouraging.

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130. DEA/50372-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1097 New York, November 4, 1956

SECRET. IMMEDIATE. CANADIAN EYES ONLY.
Repeat Washington, London, Paris, NATO (Information).

MIDDLE EAST CRISIS: EMERGENCY FORCE

Again because of the pressure here, we have been unable to send complete reports on the course of the debate. However, we hope to keep you abreast of the developments behind the scenes which help to explain events in the public forum. This telegram is concerned with the special session meeting November 3-4, which began at 8.00 o'clock in the evening [and] ended at 3.00 o'clock in the morning. The meeting was called at the request of Egypt because parties concerned had not complied with the Assembly's resolution of November 2 (Document A/3256).

2. Just before the meeting the Minister met with Lodge to discuss the text of the proposed Canadian resolution on the emergency UN force. The Minister explained why Canada considered it desirable to press the resolution in the special session. It was our hope that the resolution would provide a basis for an emergency force which could supervise the cease-fire and withdrawal called for in the resolution of November 2. This however, would be emergency action and we had in mind the establishment of a UN force of longer service which would maintain peace and order during the period of negotiating settlement of the two main issues, Suez and Palestine. For this reason, we welcomed the two USA draft resolutions providing machinery for negotiation. We hoped to link our own proposal with those of the USA.

3. Another aim was to persuade the UK and France not to land troops in Egypt. There were some indications that the UK Government was in a hesitant mood, although we could not be sure of this. We had received no repeat no assurance that the landings would not be made. In addition, we were anxious to demonstrate to Israel that its invasion of Egyptian territory could not [be] condoned.

4. We also hoped, the Minister continued, to head off any condemnatory resolution proposed by the Afro-Asians. We understood that the Indians had been circulating a draft. We had some reason to believe that this draft would not be too offensive.

5. Lodge expressed broad agreement with Canadian views on the subject. He enquired whether the Minister had a text providing for the establishment of an emergency force. The Minister showed him the draft which he had brought from Ottawa. Lodge suggested a

simpler text which he had in front of him and which, we gathered later, had come from Washington. It read: "The General Assembly bearing in mind the urgent necessity of implementing resolution No. A/3256 of November 2, requests the Secretary General to submit to it within 48 hours a plan for the setting up with the consent of the nations concerned of an emergency international UN police force to carry out the purposes of resolution No. A/3256". Lodge said that he had every reason to believe that this text would be acceptable to the Egyptians and consequently to the Afro-Asian group.

6. The Minister pointed out that with some exceptions our text had appealed to UK Ministers. They had, however, suggested amendments which might be difficult to incorporate in the Canada text (we had received by then Léger's relay of the message from Robertson). The Minister explained that we were anxious to have a text which the UK and France would not oppose. Lodge said they could not oppose the text he had suggested. After further discussion, in which several changes were made in the draft, the Minister agreed to consider the possibility of submitting the draft resolution in Canada's name.

7. Later the Minister discussed the text with the Secretary General. He expressed himself in favour of it, though not optimistically. We canvassed the views of a number of delegations, among them Norway, Pakistan, India, Ceylon, Australia, NZ, South Africa, France and the Netherlands. The Norwegians discussed the draft with the other Scandinavian countries. Since there was a general expectancy in the Assembly that Canada would introduce a draft resolution, in a very short time our text was widely distributed.[132]

8. A difficulty arose over the interpretation of the words "with the consent of the nations concerned". The Afro-Asians, in particular the delegations of Pakistan, Egypt, Indonesia, India and Syria enquired informally whether this meant the consent of the nations contributing to the emergency force or the consent of the nations mentioned in the Assembly resolution of November 2. The Canadian Delegation had to consult several times with the USA Delegation to seek clarification. Since the language had come from Washington, the USA Delegation was reluctant to delete it and indeed there were psychological reasons for not doing so. Eventually the Minister and Lodge agreed that the interpretation should be the consent of contributing nations. After considerable persuasion the Afro-Asians, but particularly Egypt, agreed to accept an oral interpretation in a supplementary statement from the rostrum. They also insisted on the inclusion of the word "all"[133] before "the terms" in the operative paragraph. They would have preferred a specific reference to the "withdrawal" of forces but this would have created difficulties, because the language proposed followed the words "secure and supervise" and the whole would have implied that withdrawal could be effected by force.

9. This process of negotiation behind the scenes occupied several hours but fortunately there was a long list of speakers. There was also the problem of whether Canada could support a nineteen power draft resolution.[134] Para three of this resolution coincided to some extent with the proposal made in the Canadian draft. Accordingly, the Minister was able to say in his statement that the Canadian proposal was in a sense "supplementary" to the

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[132] Réimprimé dans *La crise du Moyen-Orient, octobre-décembre 1956*, p. 15.
Reprinted in *The Crisis in the Middle East, October-December, 1956*, p. 12.

[133] Note marginale :/Marginal Note:
Lall insisted [auteur inconnu/Author unknown]

[134] Réimprimé dans *La crise du Moyen-Orient, octobre-décembre 1956*, p. 19.
Reprinted in *The Crisis in the Middle East, October-December, 1956*, p. 16.

nineteen power proposal. The Minister was somewhat doubtful about supporting this draft resolution because in many respects it was unrealistic. In the end, however, he considered it desirable to give the nineteen power text his support in order to ensure strong Afro-Asian support for the Canadian draft resolution.

10. This correlation of the two proposals was carried still further when Lall agreed to give priority to the Canadian draft resolution, although the nineteen power proposal had been submitted first. This ensured that the Canadian proposal would have the support of the Afro-Asians because, had they not supported the Canadian resolution, the support for their own might have been weakened.

11. As you are aware, the two resolutions were adopted by large majorities. The vote on the Canadian draft resolution was 57 in favour, none against with nineteen abstentions (the Soviet Bloc, the old Commonwealth, Egypt, France, Israel, Laos, Portugal and Austria). The representatives of Egypt and Portugal explained to the Minister afterward that they had no instructions. The nineteen power proposal was adopted by 59 in favour, five against (Australia, France, Israel, NZ and UK) with twelve abstention (Benelux, Scandinavians, Dominican Republic, Laos, Portugal and South Africa). Both votes were roll call.

12. The Minister had some discussion about our text with Dixon. The latter complained that the text was very different from what he understood had been discussed in London. He gave the impression, however, that he would not vote against it (although as part of its price of abstention, the UK exacted an abstention from the Scandinavians on the nineteen power proposal).

13. At the meeting in the Secretary General's office today he read a message from Selwyn Lloyd concerning the resolution on the emergency force. In effect, it said that no reply could be given until UK Ministers had considered the resolution, a step they were taking as a matter of emergency. The Secretary General, who has been very pessimistic this past week, took some hope from the fact that the UK had not rejected the resolution out of hand.

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131. PCO/1-60-2(a)

Le premier ministre du Royaume-Uni
au premier ministre

Prime Minister of United Kingdom
to Prime Minister

TOP SECRET London, November 5, 1956[135]

After reports to the contrary we have now heard that the Israelis' acceptance of the United Nations cease-fire call is qualified and that they have asked for conditions including free passage of the Canal.

I should like you to know at once that in these circumstances, after discussion with the French, we have decided that the operation to separate the combatants and to ensure the safety of the Canal must proceed as planned.

It is obvious that unless we keep the combatants apart the fighting will continue with all the risk that this entails of a major conflagration. Nasser's position will be strengthened.

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[135] Ce message a été livré à Saint-Laurent vers 22 h 30 le 4 novembre.
This message was delivered to St. Laurent about 10:30 p.m. on November 4.

No steps will be taken to clear obstructions and get Suez Canal traffic going. The whole area will relapse into chaos.

In these circumstances we have had a difficult, indeed an agonising, decision to take, but I am sure that we have reached the right one. The French agree with us.

In carrying out the operations no possible precaution will be spared to avoid civilian casualties and to reduce material damage to the absolute minimum.

Adequate warnings will also be broadcast to the civilian population concerned before military operations are launched.

We warmly welcome the Canadian initiative in New York to establish an emergency international United Nations force. I am most indebted to Mr. Pearson for the skill and energy with which he has sponsored this idea. But it will obviously take at best at least some days for the United Nations force to come into being. This makes it imperative for us to take a grip of the situation and to create conditions under which the United Nations force, once it is formed, can relieve us of our responsibility.

It is only after most anxious thought that we have taken our decision. I trust sincerely that we can rely on your support for it. It would be of a deep and real value to us.

We are proposing in addition, that a meeting of the Security Council should be convened at ministerial level to try and arrive at a permanent settlement of the Israel/Egypt problem.

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132. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1103 New York, November 5, 1956

SECRET

Repeat Washington, London, Paris, NATO (Information).

MIDDLE EAST

Eban asked to see me before the meeting of the special Assembly last night and we had a very discouraging talk. He said that his Government were worried about the UN police force-cease fire resolution as it seemed to put Israel in a position of inferiority to other States in requiring her to accept UN interference. He had hoped that this worry might be removed by an interpretation of the words "with the consent of the States concerned", specifically to include Israel but this had not been the case. His Government felt strongly that what was required now was not a UN police force to separate the combatants, because the fighting was almost over, but a political settlement which would establish peace and accepted boundaries. He did not say where these boundaries would be but it is quite clear from the tenor of his talk and other info that the Israelis will not now be satisfied with the present armistice boundaries.

2. Eban talked about the unwarranted interference of the UN with Israel's sovereign rights and in territory under "Israel's jurisdiction". It seems quite clear that he meant by this territory recently conquered by Israel. He added that his Government felt that the thing to do now was to press on with the political settlement which I had emphasized in my

statement to the Assembly last Thursday night, and they were disappointed that I seemed to have abandoned that stand in favour of a police force. I said that I had not changed my position in the slightest and had emphasized on every possible occasion the necessity of pressing ahead with the political settlement; that was why I welcomed so strongly the USA resolution which had been introduced for this purpose. Eban said there were some parts of this resolution which his Government did not like very much and that in any event it would not get, he thought, the necessary support in the Assembly.

3. The Israelis are obviously in a confident mood and are not likely to cooperate with the UN in the moves under way unless they are forced to do so. But with the USA and the French and the British so bitterly divided on this issue it is going to be very difficult indeed to apply the necessary political pressure.

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133. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1113 New York, November 5, 1956

SECRET. IMMEDIATE. CANADIAN EYES ONLY.
Repeat Washington, London, Paris, NATO (Information).

MIDDLE EAST

Hammarskjöld asked me to have lunch with him today. Cordier, Bunche and Engen (Norway) were also present. The latter, incidentally, showed me a message from Lange saying that the Norwegian Parliament had unanimously approved the immediate despatch of a company of infantry to the UN force in Palestine.

2. Hammarskjöld wished to bring us up to date on developments, and discuss his final report on the UN police force which he will make to the Assembly tomorrow. It will include provisions for organization, finance, etc., but, more important, certain principles governing the purposes and use of the force and its relationship to the UN. He contemplates that the UN command will report to him and that he will work with an advisory committee of five Assembly members appointed for that purpose by the Assembly. A resolution will be introduced tomorrow at the Assembly seeking approval of his report and authorizing him to proceed as recommended in it. I expect to be working with him on a final draft of it tonight during the Assembly meeting, which is called for 8.00 o'clock.

3. Hammarskjöld and his colleagues are enthusiastic about the response to the UN force initiative and feel that something very important has begun, the advantages of which may be in the long run far more significant than the setbacks that the UN has recently received because of the British-French action. Discounting some of their enthusiasm there is no doubt that under the impetus of an immediate and critical situation, certain steps have been taken which might have been very difficult, if not impossible, to take in normal circumstances. Contributions to the force have already been offered by NZ, Pakistan, Norway, Sweden, Denmark, Finland and Colombia, while favourable responses are expected soon from other Governments. Of course there are a multitude of logistic, organizational and other problems, some of which have already been pointed out by General Burns, but people here are hopeful that these can be overcome, especially as the United States has made

whole-hearted offers of co-operation in the field of logistics, supply, transport, etc. Hammarskjöld is particularly pleased that we have already secured approval for a resolution restricting the force to non-permanent members of the Security Council. This will keep the operation in the Assembly and also keep out the Russians as well as the French and the British. The inclusion of the first would make American co-operation impossible, and of the latter, Arab-Asian. The greatest difficulty will be to overcome Israeli opposition to the whole idea, though Hammarskjöld said that today in a talk with Eban he found him much less intransigent that he was yesterday. Of course, the Anglo-French landing has complicated matters and added to our difficulties. The Arab-Asians will be violently emotional tonight and may wish to take action by condemnation and sanctions against the British and the French.

4. My own view is that the best chance of overcoming our difficulties and avoiding dangers is to press ahead with the utmost speed and determination in the organization of the force. I discussed this aspect of the question in terms of an immediate Canadian contribution with the Prime Minister over the telephone this afternoon. I hope that we can plan on a battalion and that the detailed offer can be made in advance of the convening of the House of Commons. We are really at a critical stage in developments at the moment and if we can exploit the possibilities of a UN force quickly and effectively we may not only find a way out of present difficulties and have saved the UN from a disastrous setback, but also have paved the way for UN progress in the whole field of collective security through the Assembly action. I realize, of course, that none of these hopeful results may be achieved, but we should certainly do our utmost to bring about that achievement.

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134. DEA/50134-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 2006 Washington, November 5, 1956

TOP SECRET. IMMEDIATE. CANADIAN EYES ONLY.
Repeat Permis, London, NATO, Paris (Information).

MIDDLE EAST CRISIS—EMERGENCY UN FORCE

Hoover, Acting Secretary of State, asked to see me today at noon about the problem of immediate steps in connection with the establishment of the proposed UN force under UN command. He was accompanied by Phleger, State Department Legal Adviser, and Elbrick, Acting Assistant Secretary of State for European Affairs. Hoover began by showing me what he described as a paper briefly summarizing current thinking here on the shape of the next steps. The paper began by indicating that the landing of UK and French troops represented a further complication in an already difficult situation. It then proposed the following general set of requirements:

(i) An immediate cease fire.

(ii) Withdrawal of all foreign forces (including UK and French forces that have landed in the Suez area).

(iii) Immediately on a cease fire and a withdrawal, as indicated in (i) and (ii), the entry of UN forces to stabilize the situation.

(iv) While the UK was not called on to contribute to such forces and does not expect to do so, the USA is ready to supply transportation if called upon to do so by the UN.

2. This working paper further emphasized the need for putting the programme into effect at the earliest possible moment. Finally, it indicated that the process envisaged must be set in motion in order to reach a permanent settlement in the Middle East, including resolutions of the factors that underlie the present hostilities. This final step was the object of the USA resolutions dealing with the Suez Canal settlement and with an Arab-Israeli settlement.

3. Hoover, in accordance with this outline, devoted his principal remarks to the prospects of obtaining a cease fire and to an indication of the willingness of the USA to furnish land or sea transportation promptly in order to facilitate the support and transportation of the proposed UN force. He had just received the press report of cease fire discussions between the UK and Egyptian commanders in the Port Said area. If these reports were verified and if a genuine cease fire were in sight, the need for urgent action on the logistical and planning side would be all the more pressing. He was in close touch with Admiral Radford whom he telephoned during our visit to ensure that the USA service departments were ready to begin immediate logistical planning against the prospect of a request for assistance from the Secretary General and the group in New York with whom he is working on the establishment of the UN force. Hoover assumed that our own contribution would be likely to come from available forces in West Germany and suggested that it might be useful for Admiral Radford and General Foulkes to concert preliminary plans which could be fitted into the requirements set by the New York group under the Secretary General. In view of the fact that important discussions have been under way in New York, and that the details of our own contribution and the contributions of other participating States have not yet been settled, I thought that it would not repeat not be advisable to proceed on this basis until I had checked with the Minister in New York, in order to avoid any possible duplication or conflict.

4. At the same time I should report our impression that the USA administration (including the President himself) are genuinely interested in helping to the utmost extent on the transport and logistical side and that they will do whatever is possible to assist in the organization and backing up of the proposed UN force which they regard as a decisive element in the present fluid situation.

5. It will also be apparent from the general summary given above (the USA paper in this connection was marked Top Secret) that they intend to press forward with the general strategy of taking up actively the USA proposals relating to the Suez Canal and to the general political settlement envisaged; in this process they have come to regard the UN force as an essential contributing factor.

6. Finally, it is our impression that in this period on many important matters contacts between UK and France on the one hand, and the USA, on the other, are far from normal. The implications for our own position are obvious.

[A.D.P.] HEENEY

135.

DEA/50366-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1114 New York, November 5, 1956

SECRET. IMMEDIATE. CANADIAN EYES ONLY.
Reference: Our tels 1096-97 Nov. 4.
Repeat Washington, London, Paris, NATO (Information).

As forecast in our telegram 1096 November 4 a meeting of the first emergency special session was held at 9:45 last night. The principal matters considered were:

(a) a report by the Secretary-General in response to operative para two of the nineteen-power resolution of November 4 (Document A/3275 and contained in our telegram 1095†);

(b) a first report by the Secretary-General on the plan for an emergency international UN force requested in the Canadian resolution adopted by the Assembly on November 4 (Document A/3276);

(c) a draft resolution prepared by the Secretary-General and sponsored by Canada, Colombia and Norway (Document A/3290 of November 4).

2. Before the meeting the Minister spoke with Eban at his request. This conversation has been reported to you. Also before the meeting there was some informal discussion about who should sponsor the draft resolution establishing a UN command. The original intention was that it should be sponsored by the four Governments represented at the meeting in the Secretary-General's office on the morning of November 4. However, in private conversations, members of the Pakistan Delegation urged that if India were given too prominent a role in the arrangements for an emergency UN force, they would have opportunities to exploit differences among the Arab governments which might weaken the whole effort. The Pakistanis urged us to be wary of India's real intention in the Middle East which was to divide the Moslem States and to sow seeds of discord which might plague the world for years to come. Pakistan was not claiming a position of leadership in the present manoeuvre but was worried about the prospect that India would take one.

3. The Pakistanis were clearly upset about the result of the vote on the resolution concerning the Hungarian situation. They had supported it while all the other Afro-Asians, except Iran which had voted in favour and Lebanon which had been absent, had abstained. Shafqat saw in this vote the gravest implications for the future of the UN. This state of mind, plus the genuine Pakistani suspicion of India, no doubt influenced the Pakistanis to express opposition to giving India too great a role in the present Middle East crisis. However, it is likely that the Pakistanis were expressing the anxieties of the Baghdad Pact powers. For this reason we were inclined to heed the Pakistani advice.

4. The actual need for blocking Indian sponsorship of the draft resolution did not arise, however, because at the time the document was being printed Lall could not be reached. The document was issued in the name of Canada, Colombia and Norway. It appeared that Lall was making strenuous efforts to have India's name added but he did not succeed. During the debate he spoke strongly in support of the draft resolution.

5. During the course of our conversation with the Pakistanis we were told that if Pakistan were invited to participate in the force and if Anglo-French participation was excluded, there was a good chance that Pakistan would make troops available. (Today Mir Khan informed us that Pakistan had offered a contingent).

6. The verbatim record of the debate will be sent to you by tonight's bag. The highlights were:

(a) Loutfi announced that Egypt had accepted the nineteen-power resolution which he recognized as a second appeal to the parties to abide by the provisions of the USA resolution of November 2. He had nothing to say about the international emergency force.

(b) Dixon and Guiringaud stated that the Governments of the UK and France were still considering, in close consultation, the messages from the Secretary-General concerning the cease-fire. Because of time and geography it had not been possible for their delegations to receive a reply.

(c) Engen introduced the draft resolution establishing a UN command. This draft was immediately supported by Lall who made a further clarification of the word "all" before the words "the terms of the resolution of the General Assembly of November 2/56". He said among other things, "it should be clear beyond doubt that what it referred to was in fact the full implementation of the resolution".

(d) Eban spoke about the requirement of consent from the State in whose territory the proposed emergency force would operate. He said it would be "axiomatic under the law of the Charter that the stationing of any force in a territory under Israel's jurisdiction or control is not possible in law without the Israel Government's sovereign consent ...". He also enquired about the change in the status of the Chief of Staff of UNTSO and about whether the capacity of military recruitment was in the spirit of the Charter. Eban received a short and sharp reply on these points from the Secretary-General.

(e) Sobolev and the Ukrainian said nothing about the reports or the draft resolution before the assembly but confined themselves to propaganda against the UK and France.

(f) Lodge gave strong support to the draft resolution on the emergency force. He said in addition "to facilitate the success of its operation, the USA is prepared to help, and help in an important way, as regards airlifts, shipping, transport and supplies". He moved an immediate vote.

7. Lodge's motion for an immediate vote evoked immediate opposition from the UK and France. Both argued that their Governments had not had time to consider the proposal being made. The co-sponsors of the draft resolution agreed that there was no point in delaying the vote because if the UK and French reaction should be favourable the passing of the resolution had their approval. If they were opposed to the establishment of a UN command, it was all the more important to proceed with the plan. (In addition we were more or less certain that Anglo-French landings would become known by morning. This made it imperative not to check the momentum of the move to establish a UN emergency force.) As the vote showed (57 in favour, none against with 19 abstentions) there was considerable pressure in the Assembly to have an immediate vote. It goes without saying that the USA motion was carried by a vote of 50-6-16.

136. PCO/1-60-2(a)

Le premier ministre
au premier ministre du Royaume-Uni

Prime Minister
to Prime Minister of United Kingdom

TOP SECRET Ottawa, November 5, 1956[136]

Your Acting High Commissioner personally delivered your message to me about ten thirty our time last night. Shortly afterwards I discussed its substance with Mr. Pearson who was about to speak at the General Assembly meeting. I think we have a sympathetic understanding of your and France's position but we still regret you found it necessary to follow the course you are taking. Of course the motives and the known character of the actors do make a difference, but it is unfortunate that the events in the Middle East have cloaked with a smoke screen the renewed brutal international crimes of the Soviets. Many felt their satellite empire was crumbling and that they would not dare challenge world public opinion alone by resorting to the use of their military forces against their neighbours to reverse that trend. However they now say they too are restoring order in the face of inability of local authorities to do so; they may also say that they spare no precaution to avoid civilian casualties, that they give adequate warning so that these populations can submit to their will without suffering from military operations etc. To you and to us all this is specious but the opportunity for comparisons resulting from what can seem to be disregard of United Nations Charter and the decisions made by its constitutional organs themselves and not by others for them, handicaps us in using world opinion as a check upon their outrageous conduct. We are also much concerned about the reactions of the Eastern members of the Commonwealth and can only hope that events will turn out to be such that the results will come to be regarded by all on our side as much more important than the measures taken to bring about such results which we hope in the end will be brought about under the aegis of the United Nations with the co-operation of the United Kingdom and France acting as influential and helpful members.

During this crisis we have concentrated our thought and action upon seeking some way of resolving matters that would lead finally to some workable solution of Middle-Eastern affairs with a minimum of damage to the unity of the Commonwealth and the Western alliance. Our concern with the seriousness of the large issues has led my colleagues and me to offer to have Canadian forces participate in whatever United Nations force is needed to secure an acceptable solution. We will continue to do our best to be of whatever assistance we can in a positive way but I would not wish to leave with you the impression that as seen from here the situation appears other than tragic.[137]

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[136] Note marginale :/Marginal Note:
(Delivered to Acting UK High Commissioner [at] approximately 5:30 pm, November 5) [auteur inconnu/author unknown]

[137] Le Cabinet a approuvé ce message le 5 novembre, à sa réunion de 17 h 30.
This message was approved by Cabinet at its 5:30 p.m. meeting on November 5.

137. PCO/I-60-2(a)

Le premier ministre du Royaume-Uni
au premier ministre

Prime Minister of United Kingdom
to Prime Minister

TOP SECRET London, November 6, 1956[138]

I have received from Pritchard an account of his talk with you yesterday evening.

I must tell you that I understand your feelings and anxieties. Here we have been living with them from day to day and our decisions have been taken only after we have weighed the moral considerations with scrupulous care and with the thought of the strain upon our friends in the Commonwealth always first in our minds.

From the moment this war broke out, it has been clear to me that every Arab country would be involved and set about Israel under Egypt's direction, unless the war was stopped at once. Our operation was thus a life saving one.

A war of that kind would be fought backwards and forwards across the Canal and it would be lost to all of us for months and months. There is little doubt that Israel would have decisively defeated the Arabs one by one and that by our intervention we have saved them.

The only possible way of stopping hostilities was for someone to get there quickly and be on the ground. The ideal would have been an international force from the start but there isn't one and in the nature of things couldn't be one for a time. As soon as we are on the ground in force we shall call upon the Israelis to withdraw towards their frontiers. I am sure they won't begin to do so until we are there. There must be a protective pad between the forces.

The United Nations now look like providing a force and the United States seem to be willing to provide a contingent. We are ready to stop our operations as soon as we can hand over responsibility to a United Nations force.

I know that we have incurred much criticism by the action we have been forced to take but I hope that you whose Government have played a leading part in encouraging acceptance of the proposals for a United Nations force will regard what we have had to do as paving the way for it to become a reality. I hope you will press ahead with the force plan which I believe may yet give the United Nations strength which is the only hope of preserving international law and peace in the world.

Throughout this business our most pressing anxiety has been to avoid civilian casualties. We have gone to extreme lengths to do so even to the point of endangering our own operations. I am thankful to say that so far we have been successful in this aim.

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[138] Note marginale :/Marginal Note:
(Delivered to the Prime Minister at approximately 9:15 p.m., November 5) [auteur inconnu /author unknown]

138. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1115 New York, November 6, 1956

SECRET. IMMEDIATE.
Repeat Washington, London, Paris, NATO (Information).

MIDDLE EAST

Last night, during the meeting of the Security Council, where certain Russian moves were frustrated,[139] a message was received by the Secretary-General from Israel with an unconditional acceptance of the cease fire. This seemed to me to be of most immediate importance, because if now the UK and France commitment in para 4 of their note to the Secretary-General could be implemented, then the way to a general cessation of hostilities was clear. It became important, therefore, to cancel the meeting of the General Assembly where there would be intemperate language and a strong resolution under the impetus of the events of the day in Egypt. Indeed, we had seen a copy of a draft Arab-Asian resolution which we certainly would not have been able to support. The Secretary-General, therefore, prevailed on the President of the Assembly to postpone the meeting. This was the easier because the Security Council had not finished until 10.30, and he could announce that the lateness of the hour made an Assembly meeting undesirable. The other necessity was to finish the report of the Secretary-General on the international force and get that to London and Paris in time for consideration there by Governments during the morning. I felt it would be also most helpful if the Prime Minister could send a final appeal to Sir Anthony Eden pressing for acceptance, and steps were taken to draft such an appeal for transmission to Ottawa in case the idea proved acceptable to Mr. St-Laurent.

2. I then told Lodge of our plans to finish the report and press for UK and French immediate acceptance. I also saw Dixon and told him that in my view it was vital that the UK Government now take this way out of their difficulties. He was inclined, I think, to agree, but felt that unless there was time for consideration in London and for instructions to be received here, they would not, of course, be able to accept any report. Meanwhile he was communicating to London the latest developments.

3. Accompanied by Mr. Holmes I joined Hammarskjöld, Bunche and Cordier and worked with them on the Secretary-General's report which was completed about 2.00 am. It was then sent immediately to the UK and French delegates and cabled at once to London and Paris.

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[139] L'Union soviétique avait demandé au Conseil de sécurité d'adopter une résolution demandant à tous les États membres des Nations Unies, en particulier aux États-Unis et à l'Union soviétique, de fournir une assistance militaire au Caire si le Royaume-Uni, la France et Israël ne mettaient pas fin immédiatement à toute action militaire contre l'Égypte.
The Soviet Union asked the Security Council to adopt a resolution asking all UN member states, especially the United States and the USSR, to provide military assistance to Cairo if the United Kingdom, France and Israel did not stop immediately all military action against Egypt.

4. This morning at 8.30, Mr. Robertson phoned me with the important news of his talk with Eden which I then telephoned immediately to the Prime Minister. I passed this on in strict confidence to Hammarskjöld who was, of course, elated. If British and French confirmation of the news reported to me from London comes in this morning the Assembly can meet this afternoon and, I hope, give final approval to the UN force and a cessation of hostilities under the terms of our resolution.

L.B. PEARSON

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139. DEA/50134-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1531 London, November 6, 1956

TOP SECRET. MOST IMMEDIATE.

Repeat Permis for the Minister.

1. I was summoned to the Prime Minister's office at the House of Commons at 12.30 today and told that, after considering an aide mémoire received from the Secretary General this morning, in which inter alia it was stated that Egypt and Israel were ready to agree to a cease fire and that the Secretary General was prepared to take the responsibility of proposing conditions to regulate the cease fire, the UK Government and the French Government have decided to notify the Secretary General that for their part they are ready to agree to a cease fire.

2. They wanted me to say to the Prime Minister and you that they are very grateful for Canada's steadying influence in the councils of the UN and to ask if we could help achieve two primary objects which are not, repeat not, conditions of their acceptance of the cease fire. In the first place, they hope our efforts to get a really effective UN force set up quickly in the area will be pursued successfully. The second but equally important point is that a start should be made immediately with the job of removing the block ships and other physical obstacles to transit through the Canal. The Anglo-French force has technical equipment available to tackle this engineering job at once. From aerial reconnaissance reports it looks like a big long job; the experts think it may take from three to five months. It is therefore all the more important to start on it at the earliest possible moment, and with the best technical equipment available. It is appreciated that there will be all sorts of political and psychological objections in the UN to allowing the French and British technical services to do this job. They hope that we and the Americans may be able to persuade the majority of the UN, including Egypt and perhaps principally India, that this is the urgent, sensible first follow-up of the cease fire.

3. Since starting this message, I have put a call through to Mr. Pearson in New York and have told him of its contents.

140. DEA/50134-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 2011 Washington, November 6, 1956

TOP SECRET. IMMEDIATE. CANADIAN EYES ONLY.
Reference: Our tel 2006 Nov 5.
Repeat Permis, London, Paris, NATO (Information).

MIDDLE EAST CRISIS—EMERGENCY USA FORCE

I met again today at 11.30 am with Hoover, Acting Secretary of State, Phleger, Legal Adviser, and Elbrick, Acting Assistant Secretary of State for European Affairs. On the Minister's authorization I informed Hoover that the Prime Minister had made a strong appeal to the UK Prime Minister to accept a UN force and the cease-fire as provided in the Assembly resolutions. Our info was that our High Commissioner in London had been informed by Sir Anthony Eden that the UK Government is likely to accept today unconditionally the constitution of the UN emergency force and cease fire. Our High Commissioner had been told that the matter was going to the UK Cabinet at once and that approval is expected, in which case the UK Permanent Representative in New York would be instructed to communicate the UK's decision to the Secretary General this morning.

2. It was our understanding that Israel was accepting the cease fire unconditionally; the French position was not known but presumably they would follow the lead of the UK.

3. I reported to Hoover that the Minister had been working with the Secretary General all night on Hammarskjöld's final report on the UN emergency force. The report was now ready and in the circumstances stated above it was likely that the Assembly meeting would be postponed until this afternoon or this evening with the hope that the report would be adopted with the concurrence of the UK and France.

4. Our info was that the UK Government had worries on two main points. First, that the UN emergency force should be effective and capable of prompt deployment in the Suez area; and second, that the UK should be in a position to "unblock" the Canal. I passed on the Minister's thought on the latter point, that a UN technical expert might be appointed under the authority of General Burns and possibly UK methods employed in this technical work.

5. I also informed Hoover that the Minister and the Secretary General are preparing the resolution for submission to the Assembly today accepting the Secretary General's final report. The report (and resolution) would propose the setting up of a committee of five, including the Secretary General, "as a kind of cabinet" for the UN emergency force whose members would be Canada, Norway, Colombia, and Iran.[140]

6. Finally, on the planning side I passed on the view of our Prime Minister that it is important that General Burns should be brought to New York as promptly as possible.

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[140] Pour le texte final de la résolution, voir *La crise du Moyen-Orient, octobre-décembre 1956*, pp. 18-19.
For the final text of this resolution, see *The Crisis in the Middle East, October-December, 1956*, pp. 15-16.

Meanwhile, I suggested that the USA should take great care not to associate itself too closely or publicly with the UN force. This would certainly arouse suspicion and give the Soviet Government an opportunity to press for their own inclusion. The best procedure was that the USA Government should await UN requests which will be forthcoming.

7. Before reporting on the foregoing basis, I asked Hoover for the latest State Department estimate of the significance of recent Soviet threats implying a Soviet intention to use force to stop the fighting in the Middle East. Hoover was concerned over reports that significant number of Soviet jet overflights are now taking place over Turkey. Their info was that the Soviets had been sending minor shipments of war supplies into the Middle East, most recently into Syria, and that they were anxious to "legitimatize" this sort of activity through their various efforts to share in UN action in this area. Hoover indicated that so far as the work of the group in New York was concerned, tonight might represent a crucial deadline. Every effort should be made to press forward with the work done so far.

8. So far as the UK position which I had outlined was concerned, Hoover said that a message received by the President yesterday from Sir Anthony Eden was the first of its kind in over a week.[141] For a variety of reasons, the President had not yet been able to reply and it was Hoover's view that the effect of this may have been to accelerate UK acceptance of a cease fire.

9. On the cease fire itself, the State Department had just received a message from the USA Embassy in London which on first reading seemed to indicate that the UK acceptance was not unqualified.[142] Four principal points gave the State Department concern:

(i) It was not clear whether the UK in fact accepted the essential principle of withdrawal of their forces from the area.

(ii) The UK, as indicated on the basis of our own info, was concerned about the technical problem of clearing out the Canal. On this point the State Department considered that this was a technical matter which could be left for subsequent settlement and should not affect the unconditional acceptance of the UN resolutions. As an aside, Hoover remarked that the President had expressed to him the view that on the basis of his wartime experience the Italians could do this job better than anyone else.

(iii) The message from London left blank the precise timing of the cease fire with the inference that the cease fire would depend on current military operations in the course of today. This, too, was a point which should not blur the idea of unconditional acceptance.

(iv) Finally, there was the problem of UK and French participation in the UN force. The language used in the communication reporting UK views from London indicated that the UK would be prepared to accept "the international force". While this was not entirely clear, in Phleger's view it meant that the UK accepted the UN resolution which specifically excluded the permanent members of the Security Council from participation.

10. Summarizing the USA view, it is clear that they consider here that the UK acceptance should be stated in unequivocal terms and should be as clearcut and as intelligible as possible, leaving over for subsequent settlement such technical problems as the clearing out of the Canal, etc.

11. The State Department understood, as we did, that the Israeli reply had been unequivocal, although they agreed that the question of withdrawal was not specifically mentioned in the Israeli reply. They further understood that the Egyptians had also accepted, and they

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[141] Voir/See United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume XVI, pp. 984-986.

[142] Voir/See *FRUS 1955-1957*, Volume XVI, pp. 1015-1016.

considered that the Secretary General's technique of placing interpretations on notifications of action received so far had served a most useful purpose.

12. In the course of our meeting, a further report was received by the State Department to the effect that the French had agreed with the UK decision and that the cease fire was to come into effect at 12.00 midnight GMT. It was expected that the UK Prime Minister would be making a statement to this effect in a couple of hours.

13. Subsequent to this discussion I phoned the Minister in New York and understood from him that a message had been received from Robertson in London indicating that in fact the UK acceptance would be unconditional. This info was communicated at once to the State Department.

[A.D.P.] HEENEY

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141. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1128 New York, November 6, 1956

RESTRICTED. IMMEDIATE.

Repeat London, Washington, Paris, NATO (Information).

MIDDLE EAST — UN EMERGENCY FORCE

The following is the text of a draft resolution which it was intended should be submitted by Burma, Ceylon and Ethiopia:

"The General Assembly.

Recalling its resolution of November 2 (A/3256) concerning the cease-fire, withdrawal of troops and other matters related to the military operations in Egyptian territory; as well as its resolution of November 4 (A-3276) concerning the request to the Secretary General to submit a plan for an emergency international UN force, having established in its resolution of November 5 (A/3290) a UN command for an emergency international force; having appointed the Chief of Staff of the UN truce supervision organization as Chief of the Command with authorization to him to begin the recruitment of officers for the Command; and having invited the Secretary General to take the administrative measures necessary for the prompt execution of that resolution noting with appreciation the second and final report of the Secretary General on the plan for an emergency international UN force (A/3302) as requested in the resolution adopted by the General Assembly on November 4 (A/3276), and having examined that plan;

1. Expresses its approval of the interpretation presented in the report of the decisions of the General Assembly in its resolutions of November 2, 4 and 5, respectively (A/3256, A/3276 and A/3290), and of the guiding principles for the organization and functioning of the force as expounded in paras six to nine of the report.

2. Concurs in the definition of the functions of the force as stated in para 12 of the report.

3. Invites the Secretary General to continue discussions with the force, toward the end of a balanced composition.

4. Authorizes the Chief of Command, in consultation with the Secretary General to proceed with the (full) organization of the force (as regards size and composition).

5. Approves provisionally, the basis rule concerning the financing of the force laid down in para 15 of the report.

6. Establishes an Advisory Committee composed of one representative from each of the following countries: Brazil, Canada, Colombia, India, Iran, Norway and Pakistan, and requests this committee, whose chairman shall be the Secretary General, to undertake the development of those aspects of the planning for the force and which are not within the area of responsibility of the Chief of Command.

7. (Authorizes)(Advises) the Secretary General to issue all regulations and instructions which may be essential to the effective functioning of the force, following consultation with the Advisory Committee afore-mentioned.

8. Determines that following the fulfilment of the responsibilities defined for it in operative paras 6 and 7 above, the Advisory Committee, representing the General Assembly, shall continue to assist the Secretary General in meeting the responsibilities falling to him under this and other relevant resolutions.

9. Decides that the Advisory Committee, in the performance of its duties shall be empowered to request the convening of the General Assembly whenever matters arise which, in its opinion, are of such urgency and importance as to require their consideration by the General Assembly itself."

2. The plenary session tonight (November 6) has just been postponed until 10.30 am tomorrow. The above draft has not yet been circulated as a UN document but was given to us by Bunche. It has been issued as a press release.

3. Also issued as a press release is an Afro-Asian draft resolution calling for the withdrawal of the forces of Israel on the one hand and of France and UK on the other. The Secretary General is requested to report on compliance with this resolution within 24 hours from its adoption.

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142. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1129 New York, November 6, 1956

SECRET. IMMEDIATE.
Repeat London, Washington, Paris, NATO (Information).

RELIEF AND REHABILITATION IN EGYPT

We have of course been concentrating on measures for the promotion of the cessation of hostilities and the establishment of the UN emergency force. It would be desirable, however, to anticipate and to prepare for some measures of relief assistance to Egypt. We do not know, of course, the extent of the damage done in Egypt by the UK and French military actions. It is clear however that a substantial additional refugee problem will have been created by the Israeli action particularly in Gaza.

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2. UN machinery already exists for assistance to Palestine refugees for which I note Cabinet has just approved a continuation of the present level of Canadian contributions.[143] However no special UN machinery now exists for such assistance as may be necessary for Egypt.

3. We can anticipate that the USSR may seek to maintain its prestige in Egypt by offering substantial relief assistance. Probably the USA is already thinking in terms of what help it could provide but I think there would be good reasons for the UN playing an active role. In addition to the political and psychological advantages, the UN has personnel experienced in the area, possibly still in Egypt, who could undertake relief as well as technical assistance responsibilities.

4. If a UN operation on the UNKRA model, but presumably on a much smaller scale were to be set up, you might wish to give consideration to how Canada could play its part. It would be useful to make some comment soon about relief measures as a help in promoting cooperation from the Egyptian authorities. I am assuming that a cease fire can be maintained and that there has been sufficient destruction in Egypt to justify UN action. Your comments would be appreciated.

5. Separate messages† are being sent concerning the preliminary consideration which has been given to financial problems connected with the UN emergency force.

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143. DEA/50366-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État par intérim aux Affaires extérieures[144]

Memorandum from Under-Secretary of State for External Affairs to Acting Secretary of State for External Affairs[150]

SECRET Ottawa, November 6, 1956

MIDDLE EAST — CANADIAN CONTRIBUTION TO EMERGENCY U.N. FORCE

At Mr. Campney's request a meeting was called at 4 p.m. November 6 in the Minister's Office to discuss the possible extent and form of the Canadian contribution to the U.N. emergency force to be established pursuant to a decision of the U.N. General Assembly. Those present were Mr. R.B. Bryce, General Foulkes, Mr. Miller, General Graham, Mr. Léger and Mr. Ignatieff.

2. At the request of Mr. Campney, Mr. Bryce reported on a telephone conversation which he had just had with Mr. Pearson in New York, from which it emerged that the Secretary-General of the U.N. was thinking in terms of a force of about 10,000 in all to be raised from nations other than the permanent members of the Security Council, to be available as soon as possible in order to supervise the cease fire which is to go into effect at midnight tonight GMT (or 7 p.m. EST). Mr. Pearson had said that an added consideration for speed in considering the form and extent of a Canadian contribution was that some of the Soviet satellite states were already offering contributions, notably Poland. Mr. Pearson had spoken to Mr. Bryce in connection with the Cabinet meeting which is to take place tomorrow morning. Mr. Pearson expressed the hope that the Canadian Government would be in a position to make an offer of a contribution, details to be worked out with the Secretary-

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[143] Voir/See Document 434.

[144] Paul Martin

General and General Burns, the designated commander of the U.N. force. He also hoped that the force would be available in ten days to two weeks time. The Secretary-General had asked General Burns to come to New York and while the meeting was in progress Mr. Pearson confirmed to me that he would in fact be in New York Wednesday November 7.

3. Mr. Campney said that, pursuant to this message from Mr. Pearson, it seemed that the Cabinet would need to consider whether the Canadian Government would be willing to supply the equivalent of a battalion group in Canadian forces and to announce the intention to make this offer. He asked for the advice of the officials present on considerations bearing upon this question.

4. General Foulkes said that it was clearly necessary to obtain more information from General Burns before plans could proceed on the possible Canadian contribution to the U.N. force. The exact task of this force was not clear. Mr. Léger said that it was his understanding that the U.N. force would be required to supervise the compliance with the U.N. resolutions and particularly the resolution adopted by the General Assembly on November 2, text attached. (Attached also is the text of the U.K. Government's acceptance of the cease fire which also refers to this resolution.) Cease fire lines would presumably have to be drawn, separating Israeli and Egyptian forces behind which the opposing forces would have to withdraw. This policing would presumably have to continue pending the working out of political settlements. The Assembly resolution comprised steps to be taken to reopen the Suez Canal and restore its freedom of navigation. While the latter would presumably involve a technical job of clearing obstructions to the canal, this would also need policing. The position of the U.K. and French troops and their withdrawal would have to be taken into account and it was all the more urgent that a U.N. force should be available to take over police duties because strong political pressures could be expected from the Afro-Asian group in the U.N. to have the U.K. and French forces withdraw as quickly as possible. Mr. Léger added that an additional difficulty which would have to be overcome would be Egyptian and Israeli agreement to have the police force land and operate on the contested territory. Agreement on this would have to be worked out through the U.N.

5. General Foulkes said that apart from clarifying the task of any Canadian contingent to the U.N. force, which would obviously affect its equipment as well as the nature of the contingent, it would also be necessary to clarify its logistic support. It would clearly be impossible to depend on U.K. sources of supply, although this would be the most readily available through Cyprus. Mr. Léger noted that the U.S. Government had indicated through the Canadian Ambassador in Washington that the United States would be prepared to furnish assistance at least in the matter of land or sea transport to facilitate the support and transportation of the force. General Foulkes thought that it would be necessary to explore whether Naples could be used as a base for supply of the force. If the Canadian contingent could be despatched with personal weapons only and be dependent on some U.N. base for supply of vehicles, etc., it could be made ready in a matter of days, possibly ten days or two weeks. If vehicles and other equipment would have to be provided, this would make the interval before a force was available much longer, possibly a month to six weeks.

6. At this point, Mr. Léger was able to report a further message from Mr. Pearson, from which it emerged that General Burns would be in New York tomorrow[145] and that the Secretary-General would like each country willing to make a contribution to have liaison officers available for discussion of plans with General Burns. The Secretary-General had

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[145] Note marginale :/Marginal Note:
now Saturday L.B. P[earson]

also indicated a desire to have a suitable Canadian liaison officer available as his military adviser.

7. After discussion of this further message, it was agreed that two liaison officers would be made available by the Army for immediate despatch to New York for discussions with General Burns.[146] It was also agreed at General Foulkes' suggestion that to meet the Secretary-General's request a senior military representative would be appointed to the Permanent Canadian Mission in New York who would include in his functions continuing liaison with the Secretary-General.

8. Mr. Campney in summing up indicated that he would recommend to Cabinet that the Canadian Government would offer as its initial contribution to the proposed U.N. emergency force a battalion group of between 1,000 and 1,500 men to be available to leave Canada in ten days to two weeks time.

G. I[GNATIEFF]
for Under-Secretary of State
for External Affairs

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144. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], November 7, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of National Health and Welfare
 and Acting Secretary of State for External Affairs (Mr. Martin),
The Minister of Labour (Mr. Gregg), (for afternoon meeting only),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Norther Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

INTERNATIONAL SITUATION; MIDDLE EAST; ESTABLISHMENT OF U.N. POLICE FORCE

(PREVIOUS REFERENCE NOV. 5)

1. *The Prime Minister* reported that President Eisenhower had called him on the telephone to say he did not know of any government that had acted more admirably in the present crisis than had that of Canada. The President had agreed it was desirable to have the U.N. police force composed of contingents from countries which were not permanent members of the Security Council, and had said that the United States would be glad to

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[146] Note marginale :/Marginal Note:
I told him that this would not be possible [L.B. Pearson]

assist the operation in any way that would be helpful but that would not lead to U.S. involvement contrary to the intent of the United Nations.

As regards the despatch of the Canadian group, it appeared, at the moment, that the formal authority for this purpose might be given next week and Parliament convened about November 21st. It was impossible to know at this stage what the cost might be and how much of it would be borne by the United Nations. Perhaps a $1 item should be submitted to the House seeking authority to use National Defence appropriations for this purpose and a larger item presented later when detailed information was available. Meanwhile, he had asked the Clerk of the House to make preparations for a special session.

2. *The Minister of National Defence* reported on the plans being made in his department for sending troops to the force in the Middle East. It was proposed to provide a battalion group, augmented by supporting service troops, totalling approximately 1,000 to 1,500 men. These could be flown to the area by the R.C.A.F. In addition, HMCS *Magnificent* would be used as a mobile base. She would be able to go to the Mediterranean in two or three weeks time loaded with vehicles and equipment. The precise role and duties of the Canadian contribution were not yet clear but this suggested plan would appear to be suitable for the early stages of the operation until more permanent arrangements could be made. General Burns would be arriving in New York in a few days when he would be in a position to indicate what was needed, after which more detailed planning could proceed.

3. *During the discussion* the following points emerged:

(a) An announcement should be prepared and made immediately, indicating the government's proposals on the Canadian contribution to the U.N. force. It should be kept in mind, however, that it was not yet possible to decide whether the Canadian contribution could eventually be sent.

(b) In addition to making an announcement about the despatch of a group as part of the U.N. force, it would also be desirable for the Prime Minister to state publicly that the proposed trip of the Minister of National Health and Welfare to the East was more important now than when originally contemplated.

(A draft press announcement on the Canadian contribution to the U.N. police force was subsequently circulated and considered in detail.)

4. *The Cabinet* noted the reports of the Prime Minister and the Minister of National Defence on the Middle East situation and on plans for a Canadian contribution to the U.N. police force, and approved for immediate release an announcement on the offer of a Canadian contingent to the force and on the arrangements for transporting the group and supplying it in the area.

MIDDLE EAST SITUATION; FURTHER DEVELOPMENTS

5. *Mr. Martin, as Acting Secretary of State for External Affairs,* reported that the Afro-Asian group were pressing in the U.N. to have a vote taken at once on their resolution condemning the U.K., France, and Israel and demanding the immediate withdrawal of their troops. Mr. Pearson was in an awkward position at the General Assembly and would probably welcome such guidance as it was possible to give.

6. *During the discussion* it was pointed out that it would be quite unrealistic to expect a withdrawal in 24 or 48 hours after the passing of a U.N. resolution with no provision made for the introduction of a force between the original combatants. Much hinged on the interpretation given to the word "immediate". It was probably true that the mischievous elements in the Afro-Asian group, and the communists, hoped to force their resolution

through with the objective of making the constructive efforts to police the area come to naught. Mr. Pearson should vote against this kind of resolution or at least abstain.

7. *The Prime Minister* reported subsequently that he had spoken to Mr. Pearson in New York who had indicated that the British, and presumably the French, might be willing to accept a resolution which sought, not an immediate withdrawal of troops, but withdrawal as soon as practicable. If the further U.N. action with respect to the police force were taken first, and if the Afro-Asian proposal were modified in this way, he would find it difficult to vote against it.

8. *The Cabinet* noted the reports of the Prime Minister and the Acting Secretary of State for External Affairs on the Middle East situation and on the policy to be followed during the United Nations deliberations on the matter.

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145. DEA/50134-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État par intérim aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Acting Secretary of State for External Affairs

CONFIDENTIAL Ottawa, November 7, 1956

I was able to reach Mr. Pearson on the phone at 3.00 p.m. He said that the situation was getting more and more difficult and highly confused.

The Arabs are insisting that their resolution demanding the immediate (24 hours) withdrawal be given priority and voted upon before the other resolution setting up the police force.

Mr. Pearson very much hopes that he will be allowed to vote for a resolution demanding immediate withdrawal but he naturally would feel happier were it not necessary to face such a resolution before consideration is given to the other one.

The complications arise from:

(a) The statement made by Mr. Eden this morning to the effect that he could give no assurance that the U.K. troops would withdraw;

(b) The statements made by the French that they have no intention of withdrawing;

(c) The alleged statements of Ben Gurion saying that Israel will not withdraw from the Gaza Strip and the Sinai Peninsula;

(d) The mischievous comportment of Krishna Menon who is to participate in the debate this afternoon, and who seems to take the line that India would only be voting for the cease-fire resolution if there is agreement on the resolution calling for immediate withdrawal.

Mr. Pearson doesn't exactly know what is going to happen. He will call back before the day is over. Meantime the U.S. Delegation take the view that in this confused situation the only thing to do is to go full speed ahead in sending troops for the police force. They would hope that some could be landing there within the next two or three days.

J. L[ÉGER]

146. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1139 New York, November 7, 1956

SECRET. MOST IMMEDIATE.

MIDDLE EAST

Following for the Prime Minister confirming my phone conversation. The situation with regard to the voting on the resolution was as follows. There was never any possibility of Canada voting against this resolution as the UK and France had decided to abstain. Dixon informed me of this decision during the afternoon when he read to Casey and me the text of his speech — which he later gave to the Assembly — and which indicated that the principle of withdrawal was accepted but the word "immediately" was unacceptable.

2. There were at that time and when I spoke to you on the phone reasons why we should also abstain, particularly because of the interpretation given to "immediately" by the delegate of Lebanon as meaning 24 or 48 hours. I told a number of friendly European delegates and some Arab-Asian and Latin American ones that we would abstain on the above grounds.

3. There were, however, many reasons why we should vote for this resolution if the word "immediately" had not been put before "to withdraw" in para 3. We were anxious to get unanimous non-Communist support for our UN force resolution and the Arab-Asians were watching the five proposed members for the advisory committee carefully to see how they would vote on withdrawal. If Norway, Canada and Brazil had abstained, they would have been suspicious of our honest intentions re the UN force — indeed some still remain suspicious that the force is a smokescreen behind which British and French forces will remain at the Suez Canal.

4. There was also a hardening of opinion against Israel because of Ben Gurion's intolerable speech this morning, and even to some extent against the UK because of Eden's answer to a question in the House of Commons this morning, though Dixon's speech did something to correct this.

5. When Krishna Menon and others learned we were abstaining, they made a genuine effort to meet our difficulties by giving, for the Asian-Arab group, a less rigid interpretation — that "immediately" was not to be interpreted in terms of hours or days but meaning "as quickly as possible". The delegate of Peru then linked the "UN force" and the "withdrawal" resolution. This made it difficult to maintain our attitude to the impracticability of the interpretation of "immediately", especially as we had already voted in support of the principle of withdrawal.

6. As I was in a difficult position, and unable to consult you lest the vote be taken in my absence, and as abstentionists such as the Scandinavians and the Latin Americans had changed their minds, I decided to explain before the vote was taken, why we could now vote for it. In doing so, I gave an interpretation much freer and more flexible even than others had done — to the extent that I thought it would be challenged as it gave the specific

and definite impression that withdrawal had to be linked, not only to the arrival, but the functioning of the UN force.

7. As it happened, this interpretation, which was not challenged before the vote, has put the extremists of the Arab-Asian group in a disadvantageous position now and improved the situation for the UK and France and indeed for the UN force itself.

8. I hope that this explanation of my position in a very difficult situation will be satisfactory to you and my colleagues.

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147. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1146 New York, November 8, 1956

CONFIDENTIAL. MOST IMMEDIATE.
Repeat for information London, Washington, Paris, NATO Paris.

SITUATION IN THE MIDDLE EAST

It is clear that a critical point in our difficulties is going to be Israel's intransigence about returning from the lands she has just occupied militarily. Ben Gurion's speech yesterday underlined the difficulties and dangers — and must have been about as offensive to the British as to the Arabs. At lunch time yesterday I had a talk with Eban about the deplorable effect of this speech and warned him that a persistence in this stand would cause Israel to lose all her friends. She would be isolated. Eban was obviously worried about the situation and said that my words — as coming from a Canadian — added to his worries. This morning Raphael, Eban's assistant here, told me that they had reported what I said to their Government which was now considering the whole position in the light of the Assembly resolutions, the atmosphere here, and especially, I suppose, of Eisenhower's statement of yesterday.[147] He hoped that they would be authorized before the day was up to say something which would improve the position.

2. I also had a word with Wadsworth this morning and emphasized the very great importance of pushing on here with their resolution on a Palestine settlement — without delay and as a matter or urgency. I told him that if we are going to get the Israelis to withdraw, and this will be difficult at best, we must give them an assurance that the UN is taking energetic action to ensure that they don't withdraw to the old state of affairs, boundaries undefined and insecure, development plans impossible because of political hostility, a closed Suez Canal, etc. This operation, therefore, has to combine "kicks and carrots". The Americans here understand this; I hope they do in Washington. During the morning Mr. Robertson phoned from London to say he had been talking with people there who felt that

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[147] Probablement la lettre du 7 novembre d'Eisenhower à Ben Gourion. Voir United States, *Public Papers of the Presidents of the United States: Dwight D. Eisenhower 1956*, Washington D.C.: United States Government Printing Office, 1958, pp. 1091-1092.
Probably refers to Eisenhower's November 7 letter to Ben-Gurion. See United States, *Public Papers of the Presidents of the United States: Dwight D. Eisenhower 1956*, Washington D.C.: United States Government Printing Office, 1958, pp. 1091-1092.

the Israeli withdrawal aspect of the problem was now considered to be of critical importance and if this was forced without any parallel efforts to bring about a political settlement there would be dissatisfaction in certain quarters which had up to the present strongly supported UN action.

3. I phoned Mr. Heeney this morning asking him to bring these considerations to the attention of the State Department.

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148. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1155 New York, November 8, 1956

SECRET
Repeat for information Washington, London, Paris, NATO Paris.

MIDDLE EAST: EMERGENCY FORCE

One of the developments on November 7 which has not been clarified in other reports we have sent was the evolution of the Secretary-General's Advisory Committee, (Resolution A/3308 passed last evening). You will recall that on November 4 the Secretary General held a meeting of the representatives of Canada, Colombia, India and Norway to discuss the establishment of an emergency UN force. Later that day a resolution was introduced by Canada, Colombia and Norway for the purpose of establishing the UN command. We explained in an earlier telegram why India was not included as a sponsor.[148]

2. On November 5 it became necessary to appoint an advisory committee which would assist the Secretary-General with the political questions arising out of the establishment and operation of an emergency force in the Middle East. By then Pakistan had offered to contribute to the force and, indeed, had let it be known that it was prepared to contribute a brigade. India had made no offer. Accordingly, to avoid friction between India and Pakistan, the secretariat suggested including Iran as the fourth member, with Canada, Colombia and Norway, of the Advisory Committee.

3. You will recall that early in the afternoon of November 5 the Minister discussed the whole problem with Krishna Menon. Menon appeared reasonable and even ready to contribute to the UN force. However, minutes later at UN Headquarters Murray was approached by Lall who in great excitement demanded to know why India was not included on the Advisory Committee. Lall said that if India were not included the draft resolution would have no support from the "uncommitted" Asians. He argued that because India had attended the first meeting it should automatically be included in the Advisory Committee. He saw no reason why Iran should be included. He regarded what he called the "dropping of India" as an insult and he was clearly prepared to make trouble if no redress was offered.

4. We proceeded immediately to discuss this situation with the secretariat. It would obviously have been difficult to prevent India from being added to the Advisory Committee.

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[148] Voir/See Document 135.

There was, however, the attitude of Pakistan to be considered, since Pakistan was prepared to contribute substantially to the force. We consulted the Pakistanis and they agreed, with some reluctance, to serve on the advisory committee with India and the other four powers. This was the situation on the evening of November 5 but for various reasons the Assembly did not meet that night.

5. By the next morning the Indians were voicing objections because there were two Baghdad Pact powers represented on the Advisory Committee, two NATO and two Latins (Brazil had been added for balance). India was the only "uncommitted" country and the Indians argued that there should be at least another; they suggested either Burma or Indonesia. Menon said that the Egyptians would not accept both Iran and Pakistan because of their connection in the Baghdad Pact. Accordingly Entezam was persuaded to withdraw Iran in favour of Burma. Once again the matter seemed settled. However, the Indians argued later that Burma was unacceptable to Egypt because of Burma's close relations with Israel. (The Indians were also toying with the idea of adding Yugoslavia but we succeeded in heading this off). After lengthy discussions the Minister told Menon that we would accept whichever "uncommitted" country was acceptable to Egypt, and they apparently settled for Ceylon which greatly pleased Gunewardene, who had been canvassing independently for a position on the Advisory Committee.

6. By that time Poland proposed Czechoslovakia as an addition to the Advisory Committee. Having ascertained that the Afro-Asians were not particularly disposed to include Czechoslovakia, we organized a vote against the Polish amendment. We were successful in blocking it and all that remained was for Entezam to bow out gracefully in favour of Gunewardene.

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149. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1159 New York, November 9, 1956

CONFIDENTIAL

Reference: Our tel 1114 Nov 5.
Repeat for information Washington, London, Paris, NATO Paris.

MIDDLE EAST CRISIS: EMERGENCY FORCE

Once the UN command was established it was essential for the Secretary General and his staff to pursue quickly their studies with a view to evolving a plan for the establishment of the force. This took place on November 5. The result was that early on November 6 a second and final report (our telegram 1119 November 6†) was ready for distribution.[149]

2. The text of the report together with an aide mémoire [UN Doc A/3310] was sent to the Governments concerned. By noon (New York time) we had received from the UK delega-

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[149] Un long extrait du rapport « second and final » est reproduit dans *La crise du Moyen-Orient, octobre-décembre 1956*, pp. 16-18.
A lengthy extract from the "second and final" report is reprinted in *The Crisis in the Middle East, October-December, 1956*, pp. 13-15.

tion the text of the announcement which Eden was to make in the House at one o'clock.[150] The way was being cleared for the force to begin its operation in the area. A great deal depended, however, on whether the force could be effectively organized in time. Accordingly there were good reasons for pressing ahead vigorously.

3. As reported in our telegram 1155 November 8 one of the urgent problems on November 6 was to reach agreement on the composition of the Secretary General's Advisory Committee (para 6 of resolution A/3308). We have already explained in detail how and why the present composition of the Advisory Committee was decided.

4. Concurrently with our efforts to obtain support in the Assembly for the plan to establish an emergency force, the Afro-Asians were maintaining their pressure for resolutions calling upon the parties to cease fire and withdraw their forces. One such resolution had been the Nineteen-Power Resolution (Z/3275) which was passed by the Assembly at its meeting on November 4-5. On November 5 the Afro-Asians had circulated another resolution of this kind but, because the Assembly did not meet, this text, which we found unacceptable, was not pressed in the Assembly. On November 6, however, the Afro-Asians decided to press a new text which ultimately emerged in the Assembly record as Document A/3309. The fact that these two courses of action were being pursued in the Assembly complicated the consultations on voting but, at the same time the constructive effort to establish a UN force had a moderating influence on the pressure tactics which were being employed by the Afro-Asians.

5. The verbatim record of the Assembly meeting on November 7 (A/PV.566-7) was sent to you in last night's bag. In addition you have already received our telegram 1128 November 6 which contained the draft [seven power] resolution on the emergency force and 1138-1139[151] November 7 which explained the situation which led to the Canadian vote on the Afro-Asian resolution. We also sent to you by our telegram 1143 November 8 the text of the seven power resolution as adopted by the Assembly on November 7 (this was document A/3308 as amended in the course of the debate).[152]

6. We hope that with the aid of the verbatim record and these telegrams you can put together a complete picture of the developments in the Assembly on November 7. Of particular importance were the statements of the UK and France concerning their attitude toward the cease fire and withdrawal of forces; also the statements later by Menon, Lodge and several others concerning the interpretation of the word "immediately" in the Afro-Asian draft resolution. The effect of these interpretations was to create in the Assembly a general understanding that the withdrawal of UK, French and Israeli forces would be phased with the arrival and functioning of the emergency UN force. Largely as a result of the compromise reached on the interpretation of the word "immediately", it was possible to

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[150] Pour la déclaration de Eden, voir United Kingdom, House of Commons, *Parliamentary Debates*, 1955-56, Fifth Series, Volume 560, columns 75-81.
For Eden's statement, see United Kingdom, House of Commons, *Parliamentary Debates*, 1955-56, Fifth Series, Volume 560, columns 75-81.

[151] Dans le télégramme 1138, Pearson donne son interprétation de la résolution africano-asiatique. Texte reproduit dans *La crise du Moyen-Orient, octobre-décembre 1956*, p. 20.
Telegram 1138 contains Pearson's statement interpreting the meaning of the Afro-Asian resolution. It is reprinted in *The Crisis in the Middle East, October-December, 1956*, pp. 16-17.

[152] Le texte final de la résolution des sept puissances donné dans le télégramme 1143 est reproduit dans *La crise du Moyen-Orient, octobre-décembre 1956*, p. 19.
The final version of the seven-power resolution contained in telegram 1143 is reprinted in *The Crisis in the Middle East, October-December, 1956*, p. 15.

have a large vote in favour of both the resolution on the UN force and the Afro-Asian resolution calling for the withdrawal of forces.

7. The attempt by Poland to have Czechoslovakia added to the Advisory Committee was not a serious threat but it could have divided the support for the seven power resolution on the UN force. In other circumstances it might have been possible to accept an Eastern European on the Advisory Committee, particularly since two Eastern European countries (Czechoslovakia and Romania) had offered to send forces. However, there was a widely shared opinion that the inclusion of a Soviet satellite element, either in the force or in the Advisory Committee, would add greatly to the complication of establishing the force quickly and of having it accepted by the four governments most directly concerned. Accordingly, after a rapid canvass of Afro-Asian views, the Canadian delegation worked to defeat the earlier amendment. We had ascertained that the defeat of the amendment would in no way jeopardize the support for the resolution on the UN force. The Polish amendment was rejected by a vote of 23 in favour, 31 against with 14 abstentions.

8. The amendments we mentioned in our telegram 1143 November 8 were adopted by large majorities and the replacement of Iran by Ceylon was adopted without objection. The resolution on the force was adopted by a vote of 64 in favour, none against with 12 abstentions (Soviet Bloc, Egypt, Israel, South Africa). The South Africans were without instructions.

9. The Nineteen Power Resolution (A/3309) was then adopted by a vote of 65 to 1 (Israel) with 10 abstentions (Benelux, Portugal, Laos, France and four old Commonwealth).

10. The Soviet delegation said very little during the debate on these two resolutions. Kiznetsov spoke after the vote. He continued the Soviet propaganda campaign against the UK and France for their "aggression" in Egypt. He also did his best to throw doubt on the assembly decisions calling for the establishment of an emergency force. He stressed, for example, that the UN had accepted "the Anglo-French demand" that their armed forces should remain in Egypt "until the international armed force is created and stationed there". It was the apparent intention he said, "to use international armed forces not at all for repelling aggression against Egypt ... (but to introduce) international armed forces into Egyptian territory and transfer to their control a considerable part of Egyptian territory, including the Suez Canal Zone ... (which he alleged) was one of the purposes of the aggressive acts committed by the UK and France against Egypt". He said also that "the victim of aggression in this case was compelled to give its consent to the introduction of international armed forces, hoping that this would ward off a further extension of aggression". For all these reasons the Soviet delegation had abstained on the resolution establishing the UN force.

150. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to United Nations

TELEGRAM V-605 Ottawa, November 9, 1956

SECRET

Reference: Your tel 1129 of November 6.†

Repeat for information London, Washington, Paris, NATO, Beirut, Athens, Cairo, Tel Aviv.

RELIEF AND REHABILITATION IN EGYPT

The Egyptian Red Crescent has appealed for aid through the International Committee of the Red Cross and we understand the Canadian Red Cross is responding. Norman reports from Beirut that Israel is making practical arrangements (presumably for relief) in the Gaza area and that UNRWA functions there have not been appreciably hampered. Until the need for additional action emerges we are inclined to think that the humanitarian task of emergency relief may now after a brief period of confusion be considered under control in Gaza.

2. We have given preliminary departmental thought to the problems of emergency relief under UN auspices. Because of the possible political implications we regard a cautious approach as advisable. The lines of our present thinking follow.

3. Provided that Israel withdraws within its previous borders, we would not expect any increase in UNWRA's direct responsibilities in the Gaza area. Even if Israel remains in *temporary* occupation it would not appear that the local populace would meet the definition of eligibility for relief which UNRWA has used for some years. In either of these cases, however, there might be a continuing emergency relief problem among the local populace because of the disruption of supply channels and there might be cause for supplementing Israeli and Red Cross action. In that event we think it would be reasonable to request UNRWA to conduct the supplementary emergency relief distributions in the area. The cost of such distributions should not, however, be a charge on the normal agency budget.

4. Only if Israel plans to annex Gaza does it appear to us that the refugee problem will be increased. However, even if the entire local populace were to move out and acquire refugee status, the maximum increase on the UNRWA rolls would be 100,000. There would, of course, also be the problem of the removal of the 216,000 refugees already in Gaza and the existing UNRWA installations to points outside Israel. We do not consider this possibility to be one requiring urgent consideration.

5. Any emergency relief measures by the UN in the Port Said area and in other areas subjected to bombardment should in our opinion be separated from any rehabilitation programme. We consider that the provision of food, medical supplies and tentage could probably be conducted under UN auspices without prejudice to the political situation. We do not think that UNRWA should become directly involved in areas where it is not now operating, although an emergency relief administration could doubtless arrange to use the agency's procurement facilities and draw on existing stocks.

6. Should there be a need for emergency relief action beyond what may have been taken by the Red Cross and Red Crescent, we are inclined to think an administrator for a special emergency fund should be appointed. We would not favour distribution through either the Egyptian Government or the Franco-British force commander. We doubt also that the UN force would provide a satisfactory channel.

7. In our view, rehabilitation will require a particularly cautious approach. The problem seems to be to organize some UN reconstruction arrangements which would anticipate any unilateral Soviet move without involving the possibility of a condemnation of Britain and France. We have no information on the extent of the destruction caused by the military action and this makes the formulation of a plan difficult. However, we think there may be a case for proceeding to promote an initiative in the UN which would make it clear that appropriate reconstruction assistance to the Egyptian populace is intended. Measures of this kind directed towards repairing battle-damage ought, in our view, to be considered separately from any long-term economic development plan for Egypt or the Middle East in general. This last matter is the subject of a separate telegram.

8. If you discuss these observations with other interested delegations, you should make it plain that our attitude may undergo changes when there is more information available.

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151. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to United Nations

TELEGRAM DLDL-482 Ottawa, November 12, 1956

SECRET

Repeat for information NATO Paris, Paris, London, Washington

POLITICAL SETTLEMENT AND REHABILITATION IN THE MIDDLE EAST: PROPOSAL FOR U.N. AND NATO DISCUSSION

Following for Minister. Begins: We have not as yet been able to give full consideration to the part Canada might play in connection with the relief measures for Egypt although some action is already being taken through the Red Cross. We recognize however the urgency of such consideration especially in view of possible Soviet offers and are sending you a separate telegram on this subject.

2. With regard to your suggestion that some early comment on relief measures as a help in promoting cooperation from Egyptian authorities, we feel that a distinction should be drawn between such emergency relief as must be made available on humanitarian grounds and efforts to rehabilitate and develop the Egyptian and Middle Eastern economies.

3. Our preliminary thinking is that the longer term measures to rehabilitate the Egyptian economy should be considered and undertaken in the light of a general political settlement in the Middle East and in the context of broader Middle East economic development. Such a settlement would have as its basic premise the acceptance by the Arab States of the continuing existence of Israel and form the foundation of stable relations and the hope of future cooperation between them. It would also involve efforts to restore in some measure Afro-Asian trust in the British and French governments policies in the Middle East. Any

economic support (probably through the U.N.) apart from emergency relief could be a strong factor in bringing about a settlement. We are therefore inclined to feel that we should proceed cautiously on the economic rehabilitation front until a political settlement is in sight. We recognize however that Soviet offers may place this bargaining factor in jeopardy and oblige quicker action by Western Powers on the problems of economic rehabilitation.

4. Recalling the frustrating history of economic development plans for the Middle East since the creation of Israel, and how these plans have all been held up pending a political settlement, we wonder whether the whole future policy of the Western Powers towards the Middle East — political and economic — should not be considered with some urgency, beginning in New York and extending to the NATO Council as soon as there seems to be some prospect of agreement among the principal powers concerned.

5. The object of such informal consultations would, therefore, be threefold:

(a) To prepare the way for subsequent formal action which might have to be taken in the U.N. or elsewhere.

(b) To restore the rather badly shaken habits of consultation in NATO.

(c) To enable NATO discussion of the Middle East and Suez problems to take place in a more positive atmosphere focussed on necessary action for the future rather than on recriminations for what has happened in the past.

6. Our own feeling is that every effort should be made to induce the French and British governments, not as penitence but as evidence of good will, to participate in the rehabilitation of the Middle East. The U.S.A. would naturally be expected to take the lead at the U.N. We are not of course under any illusion as to the difficulties of persuading the French and U.K. NATO discussion of this whole problem would, however, serve to create a better atmosphere for initiating U.N. proposals and provide support of individual NATO countries for the line to be adopted.

7. If you feel that these suggestions should be followed up, we wonder whether you might consider our seeking the reactions of the U.S.A. first and the U.K. and France afterwards. Ends.

[J.] LÉGER

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152. L.B.P./Vol. 85

Note du secrétaire d'État aux Affaires extérieures

Memorandum by Secretary of State for External Affairs

TOP SECRET New York, November 12, 1956

MIDDLE EAST — UNITED NATIONS FORCE

On my arrival at the Drake Hotel in New York last evening I met the Egyptian Ambassador to the U.N., at his request, and had a half-hour talk with him. Mr. Holmes will be reporting on this separately. (Report attached).

Later, at 8.30, I went to Mr. Hammarskjöld's flat, at his request, where I found the Foreign Ministers of Sweden, Norway, Finland and Denmark, as well as their Ambassadors to the United Nations.

Mr. Hammarskjöld outlined to us the difficulties that had been encountered in regard to the composition of the United Nations force and the conditions under which it would be operating in Egypt. The Egyptian Government who a few days ago had been very co-operative, were now becoming very difficult both in regard to the composition of the force and the relation of its operations to Egyptian sovereignty.

So far as composition is concerned, the Egyptians were now attempting to exercise a veto and to disbar from the force contingents from any country that had a collective security arrangement with the British or the French. In addition, they had a special reason for excluding Canadians, which I explained to the Scandinavian representatives. If this Egyptian position were accepted, the Norwegians and Danes would have to be excluded from the Scandinavian force, as well as Pakistanis, Iranians, Canadians and, indeed, any members of NATO, SEATO, or the Baghdad Pact. The Egyptians at the present time would only accept from those who had offered contingents Colombians, Swedes, Finns and Yugoslavs. There seems to be some doubt about their attitude toward India, though it is hard to believe that they would not welcome them.

The Scandinavians reacted very violently to the exclusion of two of their members, just as I reacted equally violently to the exclusion of Canadians. Hammarskjöld said that he understood our position and was adopting a firm line with Cairo. He read us a telegram which he had sent to Nasser refusing in strong terms to accept the Egyptian contention. He thought that the weakest point of the Egyptian case was in respect of Norway and Denmark and he proposed, therefore, to "go to the mat" with the Egyptians on this point as the best way of forcing them to reverse their position on the others as well. He was quite determined not to give way to the Egyptians and felt that in the circumstances his best course of action was to fly to Cairo himself and see Nasser and Fawzi. This he proposed to do on Tuesday [13 November].

So far as the sovereignty aspect of the problem is concerned, the Egyptians are making difficulty here also, though this is not considered to be very serious.

We discussed at some length what the reasons might be for the changed Egyptian attitude toward the force. It seems obvious that the Russians have been encouraging them to take a strong stand, and equally obvious that the Russians are doing this for their own selfish purposes. They undoubtedly want the conflict to be continued and not settled by a U.N. intervention.

It is undoubtedly true however that the Egyptians would be suspicious of the U.N. force, even if the Russians were not there to fan their suspicions. They may think that with a U.N. force of varied composition strung along the Suez Canal, their control of that canal will be more difficult to resume. They may also think that with world opinion opposed to British and French policy and with promises of help from Russia, they can, through the United Nations, press the British and French for immediate withdrawal irrespective of the entry of a U.N. force, and if they do not get this that they may be able to drive the British and French out by force, with Russian help. It may be that Nasser and the more extreme people around him are willing to gamble with peace in this sense.

Mr. Hammarskjöld said that notwithstanding the Egyptian attitude they were pressing ahead with arrangements for getting the U.N. force into the area, but would send Colombians and Swedes and Finns in the first group. The others could, he thought, without too much difficulty, remain at the base in Naples until the situation cleared. He advised that we should send our own advance guard of Canadians immediately to Naples irrespective of the developments referred to above.

This morning I telephoned the Prime Minister, the Minister of National Defence, the Secretary of the Cabinet (Mr. Bryce), and Mr. Heeney, outlining the conversations I had last night, and emphasizing the necessity for keeping the whole matter completely secret at this stage. It would be very unfortunate if it leaked out as long as there is the hope and expectation of clearing matters up, as public reaction in Canada to the present Egyptian position regarding Canadian participation would be one of consternation and anger.

I also advised that notwithstanding Mr. Hammarskjöld's advice above, we should not pass the Order-in-Council at this time permitting troops to go forward. This would be an irrevocable step in so far as summoning Parliament is concerned, and could be postponed for a few days without any serious delay in preparing for Canadian participation. I suggested to Mr. Campney that arrangements might proceed as planned, but that the advance guard could be held back for a day or two, and that the Order-in-Council need not be passed until, say, Wednesday. Both the Prime Minister and Mr. Campney agreed with this position. If there are press enquiries as to why the Order-in-Council has not been passed, it was agreed that we should say merely that there had been some delay in clearing things with Cairo and that General Burns would not now be reaching New York until Wednesday [14 November] morning. We wished to have his report, therefore, before passing the Order-in-Council.

Before the opening of the Assembly this afternoon Mr. Hammarskjöld showed me the following communication which he had just sent to Fawzi Bey in Cairo on the composition of the U.N. Force:

"I thank you for your message of today, transmitted both in the course of your most welcome telephone call and through General Burns. I note that we are now agreed to start the operation and will send you separately details concerning the beginning of the air-lift.

"I share your trust that we all work for the same purpose of speedily ending the present crisis. I welcome the spirit of cooperation in which you on that basis have accepted Danish and Norwegian participation while suggesting a few additions which I for my part find that I should accept. On the other hand I note that you have left the question of Canadian participation open. I maintain my very firm views on the necessity of Canadian participation, but, as I declared over the telephone, I have to accept to discuss the position of Canada further with you when we meet in Cairo.

"Agreement thus exists on starting the operation on the basis of the participation of the following countries: Colombia, Denmark, Finland, Norway, Sweden, India, Indonesia and Yugoslavia. The question of additions to this list will be discussed when we meet."

He told me that he was gratified at the fact that the Danish and Norwegian difficulties were cleared up and he thought he could deal with the Canadian aspect of it when he reached Cairo. Subsequently, Mr. Heeney phoned me to give me an account of his discussions of this matter with the State Department, and I told him that I did not think that he need pursue the matter further at this time.

Mr. Campney then phoned to say that he was proposing to issue a press release about the immediate despatch of the airborne advance force and the movement to Halifax of The Queen's Own. He wondered whether the press release which he read me would be satisfactory. I told him that before anything were issued, I should check with the Secretary-General to make sure that an announcement of this kind would fit in with his own plans. I therefore went to see the Secretary General, who had left the podium. He was with Selwyn Lloyd, and while I was waiting, Mir Khan, the Pakistani delegate also arrived to see him in a state of white hot indignation at the news that the Indians were acceptable to the Egyptians as part of the United Nations force, while the Pakistanis were not. Mir Khan expressed himself in violent terms at this attitude and said that not only should the Pakistanis be welcomed, but that they should be at the Suez before the Indians as they had been the first to volunteer.

I then saw Mr. Hammarskjöld who gave me an account of recent developments with Egypt. There is another difficulty, namely, the insistence of the Egyptians that the U.N. force should leave Egypt whenever, in the opinion of the Egyptians, their work has been accomplished. Hammarskjöld, however, does not seem to take this too seriously as he has told the Egyptians that it is quite inadmissible. He will take a strong stand about the Canadian force and is reasonably optimistic. He was quite satisfied with the proposed statement from Mr. Campney. Indeed he said that our Minister could go further and say, if he so desired, that the Canadian plans as outlined were in accordance with and had the support of the Secretary General. This should help to meet any criticism in Canada that we are being too slow.

I then phoned Mr. Campney and gave him the green light on his statement, with Mr. Hammarskjöld's addition.

I saw three Canadian journalists who are attending the Assembly. They have no knowledge apparently of any real difficulty about Canadian participation, but I do not think we can keep the lid on this much longer.

[L.B. PEARSON]

[PIÈCE JOINTE/ENCLOSURE]

Note du sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

SECRET New York, November 12, 1956

SITUATION IN THE MIDDLE EAST: CONVERSATION WITH THE EGYPTIAN REPRESENTATIVE

The Egyptian Representative to the United Nations, Dr. Loutfi, called on Mr. Pearson at his own request at 7.30 p.m., Sunday, November 11. Dr. Loutfi said he had a somewhat delicate matter to raise. He had been talking on the telephone with Dr. Fawzi who had asked him to talk very confidentially with Mr. Pearson. He said that his Government had accepted the idea of the international force and they were very appreciative of the role which had been played by Mr. Pearson and by Canada in the present crisis. They were very anxious to have General Burns, a Canadian, in charge of the international force. There was a problem, however, about Canadian troops. He himself and Dr. Fawzi understood Canada's position very well but it would be difficult to explain. Canada was politically associated with the United Kingdom, and it was, for instance, a fact that the Canadian forces were technically, at least, under the command of the Queen of England. The Egyptians would want a neutral force. He mentioned later that they would not want Pakistanis because of the differences between Egypt and Pakistan. It was clear that Dr. Loutfi, who is a very polite man, was acutely embarrassed, and he did not at any time specifically say that they would not accept Canadians. He did not say whether he was reporting the views of his Government. He merely repeated several times that it was a matter over which Dr. Fawzi was concerned and which he had asked him to discuss with Mr. Pearson.

Mr. Pearson said that what Dr. Loutfi had said had put him in a very difficult — indeed an impossible position and he would find it very hard to report to his Prime Minister. Canada had taken an entirely independent and objective position on this matter in the United Nations. Because of our close and friendly association with the British, this was not an easy thing to do and it had been criticized by some Canadians. Having taken this independent position, it would be very hard for Canadians to be told that their troops were not considered independent. Canada had played a leading role in proposing the establishment of an international force. Canadians had taken up this idea with enthusiasm. Arrangements were already under way and an advance party would be leaving Canada within 48 hours. Having taken the lead, Canadians would want to play their part. Mr. Pearson recognized that there was a problem about Canadian uniforms and perhaps some risk that Canadians would be mistaken for English soldiers. However, arrangements were under way to provide all forces with United Nations badges and special white helmets. We had even been careful to exclude from the force any Canadians with noticeably English accents in order to avoid misunderstanding. Furthermore, Canadians were likely to be stationed near the Israeli frontier. They were not likely to be in Cairo or the larger cities and would have little contact with the Egyptian population. Surely it was on the Israeli borders that the Egyptians would like to have the force in order to prevent border incidents.

Dr. Loutfi did not make clear whether or not the principal problem was the danger of incidents arising from confusion between Canadian and British troops. At one point he indicated that that was what was troubling Dr. Fawzi, but at other times he seemed to imply that the objection to Canadians was for more general political reasons. He did not seem to think that the efforts to clarify the identity of the United Nations forces would have much effect. The Egyptian people were for the most part not well educated. They did not understand English and would not detect these differences. He was most emphatic that he would like to have General Burns and indicated that Canada should be satisfied if it held the top position.

Mr. Pearson emphasized again the extremely difficult position this would put Canada in and urged Dr. Loutfi to explain this situation to Dr. Fawzi. He was sure that Canada would not at all understand a situation in which the force was commanded by a Canadian but Canadian troops were not to participate. In fact it would not be possible, he thought, for General Burns to command the force if this were the case. It was most important that plans for the force be carried out urgently so that, in accordance with Egyptian wishes, the British and French would withdraw as soon as possible.

Dr. Loutfi seemed to recognize the urgency and made quite clear that they did not want to have to bring in the Soviet forces. He agreed to report what Mr. Pearson had said to Dr. Fawzi. He mentioned that Mr. Hammarskjöld would go to Cairo on Tuesday and that in Cairo he would better grasp the temper of the Egyptians. Mr. Pearson expressed the hope that Mr. Hammarskjöld would be able to explain the Canadian position to the Egyptian Government. Dr. Loutfi did not abandon his position in any respect but he did agree to report Mr. Pearson's views.

J.W. HOLMES

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153. DEA/50366-40

Note de l'ambassadeur aux États-Unis

Memorandum by Ambassador in United States

SECRET [Washington], November 12, 1956

MIDDLE EAST CRISIS: U.N. EMERGENCY FORCE

The Minister called me before 10 o'clock this morning to describe to me the attitude of the Government of Egypt regarding the introduction of the U.N. force, with particular reference to the Canadian element. Press reports indicated that Egyptian authorities were raising difficulties but so far the most serious feature — insistence on a veto on the force's composition — had not become known; in particular there had been no public reference to the Egyptian attitude toward a Canadian contingent. It was essential that this secrecy be maintained.

2. The fact was, however, Mr. Pearson went on, that the Egyptian Foreign Minister had made a personal appeal to have the Canadians kept out of the U.N. force. The Egyptian Permanent Representative to the United Nations had called on the Minister for this purpose. Loufti had drawn attention to Canada's close relationship with the United Kingdom, her membership in NATO, and the similarity in uniform between Canadian and British troops.

3. Mr. Pearson's reaction to this approach had been very strong. The Canadian Government could not give one inch; in view of our stand in the U.N. emergency session and the independence of our policy he had told Loufti the Egyptian suggestion was "outrageous". The argument concerning uniforms was nonsense, since all U.N. troops wear distinctive head gear and arm bands. Under no circumstances would we accept the Egyptian request.

4. The Minister said that the Egyptian Government were also objecting to Danish and Norwegian troops forming part of the U.N. force, on the ground that their countries formed part of NATO. Mr. Pearson had been meeting with the Secretary-General, and Mr. Hammarskjöld was determined to stand his ground and force the issue with Egyptian authorities on the Scandinavian contingent. Confidentially, Hammarskjöld might fly to Cairo tomorrow for this purpose. He had already been in touch with the White House to urge vigorous U.S. support.

5. Mr. Pearson said that he hoped that the United States would "go to bat for us". The Canadian reaction to Egyptian refusal to accept Canadian troops as part of a U.N. force would be violent and damaging to a very serious degree. Support for the United Nations by the Government and people of Canada, in such circumstances, would be gravely weakened.

6. For the present, Mr. Pearson said, we were making no change in our plans. The timetable for completing organization and despatch of the Canadian Contingent to the Italian staging base still stood (External Affairs telegram to U.N. Delegation DLD 477 of November 10† — advance party November 12; R.C.A.F. airlift November 19 to 26; balance of Contingent by R.C.N. carrier November 28). However, Mr. Pearson had spoken to Bryce and the Order-in-Council authorizing Canadian participation was being held up.

7. The Minister instructed me to take this matter up with the Acting Secretary of State as soon as possible. (Hoover and Phleger were tied up all morning with the Senate Foreign Relations Committee, but I arranged to see Elbrick as a first move).

A.D.P. H[EENEY]

154. DEA/50366-40

Note de l'ambassadeur aux États-Unis

Memorandum by Ambassador in United States

[Washington], November 12, 1956

MIDDLE EAST CRISIS: U.N. EMERGENCY FORCE

The Acting Secretary, still being unavailable, I called on Elbrick at 11.45 a.m. and put to him the position as indicated to me by the Minister.

2. It was our conviction, I said to Elbrick, that the consequences of the U.N. yielding to the Egyptian Government's attempt to exercise a veto over the composition of the emergency force would be very grave. In the first place it would seriously affect the authority of the United Nations and its capacity to stabilize the position in the Middle East. In the second place, if the Canadian contribution were to be refused this would be a repudiation of the Canadian Government's initiative within the U.N., and its effect in Canada would be disastrous. Finally, as Elbrick knew, the Canadian Contingent was to provide the backbone of the force; its elimination would seriously jeopardize the force's effectiveness, and I thought it very doubtful that in such circumstances Burns would be willing to accept command.

3. For these reasons we were seeking the U.S. Government's strong support for the Secretary-General in his stand in further discussions with the Government of Egypt. (Elbrick knew that Hammarskjöld was proceeding to Cairo tomorrow). We also sought, in particular, United States support for participation of the Canadian Contingent.

4. Although Elbrick was not fully informed on the present position concerning the U.N. force, he was aware that difficulties had arisen in Cairo. His attitude was entirely sympathetic on both points which I had made and he undertook to communicate our anxiety and our requests to the Acting Secretary (who was still occupied with the Foreign Relations Committee) just as soon as possible. He is also to arrange for me to meet Hoover as soon as there is an opportunity.

5. I reported my conversation with Elbrick to the Minister, by telephone, at 12.30. He expressed satisfaction with what had been done and I was to be in touch with him later in the day. Incidentally, he confirmed that Burns would not accept command, if the Canadian Contingent were not included. Mr. Pearson had no knowledge of the press report that came out at 11.29 this morning that Egypt had accepted the U.N. emergency force.

A.D.P. H[EENEY]

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155. DEA/50366-40

Note de l'ambassadeur aux États-Unis

Memorandum by Ambassador in United States

SECRET [Washington], November 12, 1956

MIDDLE EAST CRISIS: U.N. EMERGENCY FORCE

Elbrick telephoned me at about 4.15 p.m. to say that he had just seen the Acting Secretary. Hoover had been tied up until then with the Congressional Committee. Elbrick had communicated to him what I had said to Elbrick in the State Department this morning. (See my two earlier memoranda of this date).

2. Elbrick said that he had been asked by Hoover to tell me, at once, that the U.S. Ambassador to Egypt had already made representations to the Egyptian Government in the sense we desired. These had been both on the general principle i.e., the U.N.'s authority for constitution of the Emergency Force, and on its particular application, i.e., in respect of a Canadian Contingent. These representations had been made on instructions from Washington either this morning or yesterday.

3. Elbrick added that the U.N. Secretary-General had not been in touch with the President today, although he had yesterday. It was not intended that a further message be sent to the Egyptian Government today by U.S. authorities.

4. Finally, Elbrick said that the Acting Secretary fully understood the Minister's anxieties and shared his views. For the United States the general question took priority, but the special Canadian position was fully understood and sympathized with. Elbrick said that he would keep me informed.

5. I reached the Minister by telephone in New York at 5 o'clock and reported the above exchange to him. Mr. Pearson did not wish us to do anything further at this end, for the moment. He appreciated the action which the U.S. Government have taken.

6. Mr. Pearson went on to tell me that the Secretary-General had now heard from Nasser that the Egyptian Government would accept the two Scandinavian Contingents, but not the Canadian. This, of course, was quite unsatisfactory to us and Mr. Hammarskjöld would insist upon the inclusion of the Canadian Contingent when he saw Nasser in Cairo. (He is flying there tomorrow).

7. The Minister was speaking from the Secretary-General's anteroom. He was about to tell Hammarskjöld that it had now become necessary for him to inform the press that the main body of Canadian troops were entraining at Calgary for Halifax, for embarkation.

8. Mr. Pearson was seeing Canadian correspondents later this evening. As yet they did not know but presumably were beginning to suspect what had transpired with regard to Canadian troops.

A.D.P. H[EENEY]

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156. DEA/50372-40

Le chef d'état-major général
au Commandant de l'élément canadien de la Force d'urgence des Nations Unies

Chief of General Staff
to Commander, Canadian United Nations Emergency Force

CONFIDENTIAL [Ottawa], November 12, 1956

COMMAND INSTRUCTIONS

General

1. As a result of the recent hostilities in the areas of Suez and Sinai, the United Nations has authorized the formation of the United Nations Emergency Force to secure and supervise the cease fire which has occurred. The Canadian United Nations Emergency Force is the Canadian Army element of this Force.

Appointment

2. You have been appointed Commander, Canadian United Nations Emergency Force and Senior Canadian Army Officer, Middle East.

Composition

3. The composition of your command will be:

1st Battalion, The Queen's Own Rifles of Canada; Canadian Base Unit, Middle East.

Such other units as may, from time to time, be placed under your command.

Role

4. The role of the Force under your command will be to undertake such duties in connection with the cease fire as may be ordered by the Commander, United Nations Emergency Force (Major-General ELM Burns, DSO, OBE, MC, CD).

Status

5. The Canadian United Nations Emergency Force will form part of and be under the operational command of the United Nations Emergency Force, but will remain under the administrative control of Army Headquarters.

6. The principle of the separate entity of the Canadian Force will be maintained at all times. In this connection, while the grouping of the Force is a matter for the operational commander to decide, it is anticipated that, in the normal course of operations, your tasks will be so allotted that the Canadian entity of your Force will be readily preserved. At the same time, you will cooperate with and assist as much as possible the forces of the other nations forming the United Nations Emergency Force.

7. If, at any time other than when required temporarily by urgent operational necessity, it appears that the principle of maintaining the separate entity of the Canadian Force is likely to be violated, you will represent your views to your immediate superior officer in the United Nations Emergency Force and to the Commander, United Nations Emergency Force and immediately report the matter to the Chief of the General Staff.

8. The legal relationship between the Canadian Forces and the other forces of the United Nations Emergency Force has not yet been established and it will be necessary for you to work out a suitable relationship. However, your Force and its members will be subject only to Canadian military law, and all offences alleged to have been committed by them, whether military or civil, will be dealt with by Canadian military courts. Should a member of your force be arrested by the civil authorities or charged before a civil court, you will immediately take steps to arrange, if possible, for his release or for the withdrawal of the charge. Should you not be able to accomplish this, you will at once report the matter to the senior United Nations representative in the area, with a request that he take such steps as are possible to effect the release of the man concerned, or to have the charge withdrawn. You will at the same time report the matter with full particulars by message to Army Headquarters.

Command, Discipline and Administration

9. You will be responsible for the discipline and administration of all Canadian Army troops in the United Nations Emergency Force.

10. Pursuant to QR(Army) 1.13, the Minister of National Defence has designated you as an officer to have and to exercise the powers and jurisdiction granted by QR(Army) to an Officer Commanding a Command.

11. Administration of the Force will be in accordance with existing instructions and such other instructions as may be communicated to you from time to time.

12. The Canadian Base Unit, Middle East has been formed to assist you in the administration of the Force under your command. This unit will, under your direction, be responsible for all administration of the force except the internal administration of the 1st Battalion, The Queen's Own Rifles of Canada and such other tasks as you may require. Separate Command Instructions† are being issued to the Commanding Officer, Canadian Base Unit, Middle East setting forth his responsibilities to you.

13. In the event of your temporary absence, your duties as operational commander of the Canadian United Nations Emergency Force will devolve on the Acting Commanding Officer, 1st Battalion, The Queen's Own Rifles of Canada, and your duties as Senior Canadian Army Officer, Middle East will become the responsibility of the Commanding Officer Canadian Base Unit, Middle East.

14. Various other matters, including the rendering of reports and war diaries, and the procedure with respect to honours and awards, will be dealt with in separate instructions.†

Liaison with HQ International Emergency United Nations Force

15. When required, and as you so direct, the Commanding Officer, Canadian Base Unit, Middle East, will represent your views to the Commander, United Nations Emergency Force on any matter.

Action in the Event of an Emergency

16. If an order given by the Commander, United Nations Emergency Force, or by any subordinate commander under whose command you have been placed, appears, in your opinion, not to accord to the role of the United Nations Emergency Force, you will request direction from the Chief of the General Staff before the order is executed, and will represent the case to the Commander, United Nations Emergency Force. You will, however, inform the Commander, United Nations Emergency Force, through any commander subordinate to him under whose command you have been placed, that you have requested direction from your own authorities and state the reasons why you have done so.

17. If, due to the resumption of hostilities in the area in which your force is stationed, or any other circumstance it appears to you that the safety of the Force under your command is imperilled to a degree exceptional in view of your task and military capabilities, you will, after taking any measure necessary for the defence of the force, still endeavour to carry out your task. At the same time, you will report the matter by OPERATIONAL IMMEDIATE message to the Chief of the General Staff and obtain his direction. In the event that you arrive at this opinion as a result of any action or order by the United Nations Emergency Force, you will represent the matter to the Commander, United Nations Emergency Force and inform him, and any of his subordinate commanders who may be involved, of the action you will take and the reasons for taking it.

Channels of Communication

18. No limitation is placed on your direct channel of communication on any matter with the Chief of the General Staff.

19. Channels of communication will be:

(a) Routine administrative correspondence with Army Headquarters will be sent direct to the Canadian Base Unit, Middle East.

(b) Correspondence other than the above will be sent to the Canadian United Nations Emergency Force.

Effective Date

20. These Command Instructions become effective the date you arrive at the staging base in Italy.

H.D. GRAHAM
Lieutenant-General

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157. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1213 New York, November 13, 1956

SECRET. IMMEDIATE.
Repeat for information London, Washington, Paris, NATO Paris.

MIDDLE EAST UN FORCE

I have just had a talk with the Secretary General regarding his proposed trip to Cairo. I wished to emphasize to him how essential it was that he should remain firm in the light of the Egyptian attempt to impose conditions on the admission of the UN force. My strong feelings in this matter, which are shared by all the delegates in the Assembly with whom I have talked and who have read the newspaper reports from Cairo, are concerned primarily with the effect on the UN as a whole if the Egyptians are permitted to exercise control in this way over the UN force, though, of course, our own particular difficulties in regard to the composition of the force are in important additional consideration.

2. Hammarskjöld gave me some info which indicates that the difficulties are greater than they were yesterday. He told Cairo yesterday that he could not admit the validity of the Egyptian contention, particularly in regard to their assertion of the right to demand withdrawal of UN forces from Egypt when they, the Egyptians, think their task is completed. Hammarskjöld insists that Cairo has accepted the right of UN forces to remain in Egypt as long as their tasks remain uncompleted, and if there should later be any difference of opinion between Egypt and the Secretary General on this score of timing the matter should be referred to the Assembly. The Egyptians have even gone so far as to say that their agreement, already announced, to receive the force, even with conditions, is now inoperative until all misunderstandings are removed. Hammarskjöld has reacted strongly against this and he will not go to Cairo if the Egyptians persist in this stand as he refuses to be put in the position of begging for concessions. I told him I thought he was quite right in this. He may hear from Cairo in the next hour or so, but if not, a way has opened up which will permit a longer time to get the question settled before Hammarskjöld has to decide whether to go or not. The Hungarian Government has asked him, or his representative, to go to Budapest at once to discuss humanitarian questions. Unless, therefore, he hears from the Egyptians within the next two hours he will fly to Europe as scheduled, but go first to Budapest, and then only to Cairo if later developments make that possible. The situation is, therefore, both confused and dangerous.

3. I asked Hammarskjöld his opinion of the effect of these developments on plans for organizing the Canadian and other contributions. He hoped very much that we would go

right ahead with our plans as he is still optimistic that when Cairo is confronted with the consequences of the position which they are now taking they will give way; those consequences include his decision which, at my suggestion, he will now communicate to them, to submit the whole matter at once to the UN, if they do not back down. If in spite of this they persist in their course, then presumably Hammarskjöld will return at once from Budapest and submit all the evidence to the General Assembly, which will then be asked to take the necessary decisions.

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158. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], November 14, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Labour (Mr. Gregg),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General
  and Acting Minister of Justice (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

. . .

INTERNATIONAL SITUATION; CANADIAN COMPONENT OF UNITED NATIONS FORCE; HUNGARY

(PREVIOUS REFERENCE NOV. 7)

3. *The Prime Minister* said the Egyptians were still raising difficulties about the role of the U.N. force and when it should arrive. The Secretary-General might have to take a firm line with Nasser and inform him that elements of the force would soon be reaching the troubled area. In the meantime, it was still not possible to submit an order authorizing the despatch of troops or to decide to summon Parliament. The situation might be clarified sufficiently in a few days to enable these steps to be taken.

4. *Mr. St-Laurent* also reported that he had discussed the Hungarian situation with the Russian Ambassador and had told him that Canadians had been horrified by the recent events in Hungary. He had given the Ambassador a message for the Chairman of the U.S.S.R. Council of Ministers asking the Soviet government to comply with the U.N. resolutions on the subject, and also requesting Mr. Bulganin to use his influence to alleviate suffering and to allow international organizations to help in relief work in Hungary.

5. *The Minister of National Defence* explained that before an order in council could be passed authorizing a contribution to the emergency force two things were necessary. The first was the consent of Egypt to receive the force and agreement on the terms under which it would be stationed in that country. The second was General Burns' concurrence with the

nature of Canada's contribution. There would be no difficulty over the second of these points and the U.N. Secretary-General was doing all he could to deal with the first.

The *Magnificent* was in Halifax and would be ready to load the troops on Sunday and leave that night. Meanwhile, the main elements of the battalion group were arriving in Halifax and would be housed in the naval barracks there until ordered to leave. In a general way the proposed contribution could be said to be appropriate for the purposes of the force. If Egypt insisted that Canadian infantry should not be included, it might be possible to furnish a base unit for the whole force of about the size of the battalion group, but this would be difficult and complicated and would bring no credit to Canada.

6. *During the discussion* the following points emerged:

(a) The Egyptians had taken the view, tentatively, that the force could not include troops from any country allied to the U.K. Probably they had been encouraged to do this by the Russians who were afraid that the U.N. might become an effective instrument for peace which was not what they wanted. However, Asian countries were coming to know that Russia was using Egypt for its own ends and resented these tactics. It might be that resentment in Asia would reach such a pitch that the Russians would feel compelled to restrain their efforts in this respect.

(b) Sending an advance party to Naples might be criticized on the grounds that no formal authority for this existed and that Parliament had not been informed. On the other hand, preparations for the arrival of the main body of Canadian troops had to be made, and the 30 members of the advance groups had been despatched to do everything possible to ensure that the main body could be properly established and perform its duties efficiently.

(c) It would be important to provide good mail service and to distribute Canadian newspapers to the troops engaged in this new and difficult task.

(d) The letter to Mr. Bulganin had been drafted with the thought in mind that it might be made public at some stage. If this happened, it might be said to be inconsistent to withhold the messages sent to Sir Anthony Eden on Middle East questions. There was a good deal of interest in these and many people expected them to be published at some stage.

(e) Egypt was reported to have asked for Russian "volunteers" to assist her in defence. However, India and other Asian nations were against this and had already stated their views publicly.

7. *Mr. Campney* submitted for discussion the draft of a recommendation† for the despatch of the Canadian contingent to the U.N. police force. It was proposed to designate 2,000 members of the services for the purpose, but the figure could be adjusted. The order in council for the Korean special force had actually placed all the forces on active service, but he felt that to rely on it for the present Middle Eastern operations would be inadvisable.

8. *The Cabinet* noted the reports of the Prime Minister and the Minister of National Defence on developments in the Middle East on the status of the proposed Canadian contingent for the United Nations Emergency Force, and with respect to Hungary.

. . .

159. DEA/50366-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au haut-commissaire en Inde

Chairman, Delegation to United Nations General Assembly,
to High Commissioner in India

TELEGRAM POLEG-1231 New York, November 15, 1956

TOP SECRET. MOST IMMEDIATE.

MIDDLE EAST — CANADIAN CONTRIBUTION TO UN FORCE

The Egyptians have been raising difficulties about the inclusion of a Canadian component in the emergency UN force on the ground that we are too closely associated with Great Britain. We are surprised and dismayed at this attitude in view of the position we have tried to take at the UN on this matter and the genuine efforts we have made to be helpful and impartial. The Prime Minister and I think that a word from Mr. Nehru to Cairo might clear up any doubts and suspicions that the Egyptians might have and we would be most grateful if he could intervene accordingly. Hammarskjöld will be mentioning the matter in Cairo but his hand would be immensely strengthened if the Indians could support our position. You will understand of course that if it became public, and so far we have avoided this, that Canadians were not considered appropriate for inclusion in this international force, the effect on Canadian public opinion re the UN might be far reaching and disastrous, to say nothing of the anger it would arouse against Egypt.

2. Please act as quickly as possible as the matter should be decided within the next forty eight hours, and in the right way.

L.B. PEARSON

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160. DEA/50366-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 775 New Delhi, November 15, 1956

TOP SECRET. MOST IMMEDIATE.
Reference: Your POLEG-1231 Nov 15.
Repeat Permis NY for Minister from Ottawa.

MIDDLE EAST: CANADIAN CONTRIBUTION TO THE UN FORCE

I saw Nehru shortly before one oclock for twenty minutes. The Indian government had about three or four days ago, heard about the possibility of Egypt's objections to the inclusion of Canadians. He had immediately sent a message to Nasser to say that he was much distressed to hear this and expressing the hope that Canada would be among the countries which would be chosen. He had said that "Canada would be a good choice". About a day and a half ago Krishna Menon had sent a very strong message to Delhi from New York with a copy for the Indian Ambassador in Cairo. Nehru repeated several times that Krishna

Menon's message was "in very strong language". Thus India had already made two approaches to Nasser. Nasser was naturally in a very excitable mood. India could not repeat not hope that Nasser would always do what they asked him to. Nehru said that nevertheless he would immediately get in touch with Cairo again.

2. In my immediately following telegram† I shall report more fully on my talk with Nehru.

3. I am seeing Pillai at three thirty this afternoon and will go over the matter again with him.

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161. DEA/50366-40

Le chef de la délégation à l'Assemblie générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly, to Secretary of State for External Affairs

TELEGRAM 1257 New York, November 15, 1956

TOP SECRET. IMMEDIATE.

MIDDLE EAST SITUATION

This afternoon Krishna Menon called Holmes out of the Assembly to tell him that he had just been talking to Cairo (he did not say exactly to whom) and he had learned that the Egyptian Government would now agree to Canada providing air transport and field ambulance. He said that the connection had been poor and he was not sure whether it was air transport and ambulance or air transport or field ambulance. This info was to be given to our Chargé in Cairo this afternoon. Menon seemed to realize that this would not be satisfactory and said he had sent a personal message to Nasser urging him to agree to a Canadian company on the ground at the very least. He emphasized, however, that he believed that this reply meant that the Egyptian position was being "cracked". In his habitual way he was vague, but he implied that the Egyptian offer might now be expanded.

2. Shortly afterwards, Cordier informed Holmes that they had just received the following message for the Secretary General from Fawzi: "After careful reconsideration of composition of UN forces in light of new developments, Egyptian Government has decided to accept Canadian participation in form of air transport". Cordier said this was not good enough; he was trying to get Hammarskjöld in Naples by phone. He said that Hammarskjöld already had this info. The above info was passed to Mr. Pearson, who was at the time seeing Mrs. Meier. Before leaving New York for the evening, Mr. Pearson asked Holmes to tell Menon that the Egyptian position was quite unacceptable, that Canada had been asked for a self contained unit and we had provided such a unit which was now under way. We could not allow the Egyptians to determine the nature of our contribution. We did not want to provide air transport and there was, in fact, more danger of the insignia on our planes being mistaken for British than was likely in the case of the army. Nevertheless, he expressed our thanks to Menon for his continuing intervention. By this time Menon was engaged in the debate on the Chinese seat and a note was sent to him with Mr. Pearson's comments.

162. DEA/50366-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs

TELEGRAM POLEG-1293 New York, November 17, 1956

SECRET. MOST IMMEDIATE.
Repeat for information London, Washington, NATO Paris and Paris.

CANADIAN CONTRIBUTION TO UNEF

Received during the night copy of following message from Secretary General to Cordier and am at moment waiting for telephone call from Cairo, Begins: I urged matter most strongly today with both Nasser and Fawzi. Egyptians believe what they accepted to have been in line suggestion from Pearson to Loutfi. I will pursue matter tomorrow and report immediately what with most serious efforts can be elicited just now. There are also here some very hard political facts in picture. Although clear Egypt's reply yesterday not last word, I doubt any argument of mine, with immediate military situation what it is, can open door Canadian ground force. Egypt's reply means in their view addition of Canada to list of countries participating UNEF. I fear only acceptance effective inclusion now Canadian air units in UNEF functioning within Egypt may be reached here. Some adaptability both sides seems necessary. Let us try get round corner until direct talks Pearson-Fawzi possible early next week if, as still is planned, Fawzi goes to UN now. Ends.

2. Have already telephoned to Mr. Campney about this and we agree that some press statement will be required during the day. It could take one of two forms: a more general statement in order to soften the difference of opinion with the Egyptians and therefore possibly make it easier for them to withdraw from the position they have taken, or a flat statement saying that they refuse to accept Canadian ground forces in the UN force. Draft statements of both kinds are in my immediately following telegram.†

L.B. PEARSON

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163. DEA/50366-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs

TELEGRAM POLEG-1300 New York, November 17, 1956

SECRET. IMMEDIATE.
Repeat for information Washington, London, NATO Paris and Paris.

CANADIAN CONTRIBUTION TO UNEF

This is a summary of recent developments. Yesterday afternoon, after talking to the Prime Minister, I told Cordier that it was essential that we hear from Hammarskjöld as quickly as possible on his negotiations with the Egyptians. He accordingly sent the following message: "Canadian Cabinet standing by. Situation critical. Most necessary positive reply". No reply was received until some time after midnight when a message was telephoned from Cordier's office, which was forwarded to you in our telegram POLEG-1293. Incidentally we are at a loss to understand what Fawzi Bey meant when he said that the air force contribution was in line with the suggestion we made to Loutfi last Sunday. A note of our talk, made by Holmes, confirms my memory that no such suggestion was made. This morning I telephoned Mr. Campney outlining the situation and suggesting certain press releases in case there was no change. However, a telephone call from Norman in Cairo, received around 9.30 am, gave us reason to hope for a more satisfactory result. Though the connection was very bad, a draft message was dictated by Norman and taken down by us. I later read this to Léger over the telephone. The draft is as follows:

"Canada is welcome as a country from which elements of the UNEF be drawn. It is felt that the most important contribution that could be given at the present stage from that country would be air support in the transport of troops from Italy and for the current functioning of the UNEF in Egypt.

"The question of ground troops of Canadian origin could best be considered when UNEF can assess its needs at the armistice line. The present situation seems to be one where it is not a lack of troops for the immediate task but of possibilities to bring them over and maintain their lines of communication. That is a cause of worry". Ends.

There is some doubt as to whether the last sentence was part of the message or an additional observation by the Ambassador. Norman in his talk emphasized that the Egyptians appeared to be friendly and cooperative but were, or professed to be, very worried indeed about the arrival at Port Said for stationing on the Canal at this time of The Queen's Own Rifle regiment of Canada. In my turn, I told Norman how worried we were about the impression we were receiving that the Egyptians were dictating to Hammarskjöld the composition of the UN force; that we could not accept any such principle, and we hoped that it would not be agreed to by Hammarskjöld. With this reservation, however, we were naturally anxious to help Hammarskjöld in his discussions with the Egyptians but we could not ignore the fact that the contribution we had promised had been accepted in New York as the most effective that we could make, and we had been encouraged to proceed accordingly. Norman pointed out that Hammarskjöld had told him that the message in question did not lay down any conditions for Canadian participation, which would have been improper, and that it did not involve any objection to Canadian forces in principle, but was concerned merely with the timing of their arrival and the area of their activity. Norman was to keep in close touch with Hammarskjöld and let us know as soon as the discussions were concluded.

2. After this telephone conversation I went to the Secretary General's office with Mr. MacKay. I discussed the situation with General Burns and Cordier. Burns felt that a Canadian battalion was still essential, though he felt also that even more important at the present moment was air transport and administrative headquarters — troops, signals, transport, engineers, medical, etc. If the Canadian Government could, as suggested, supply an air transport squadron and the 300 or so administrative personnel which were due to be flown this weekend, that would certainly be the most effective immediate contribution, with the infantry battalion to come later in the light of circumstances. He could conscientiously give a military opinion as commander of the force that this would be the most effective action on our part at this moment. Cordier agreed.

3. I then talked the matter over with Mr. Campney, who thought that the course outlined by General Burns could be agreed to subject to the Prime Minister's approval. I then talked

to the Prime Minister on the telephone, who thought that the suggestions mentioned above would be satisfactory. Mr. St. Laurent also suggested a change in the draft statement read by Mr. Norman on the telephone. The first sentence of the second para should read "The question of when and where ground troops of Canadian origin shall be used can best be considered, etc." A telephone call was put in to Cairo for Mr. Hammarskjöld and the following telegram was sent immediately by Cordier, Begins:

"In connection with suggested communiqué, after conference top level suggestion is made that no infantry come for time being but that country concerned help to supply at this stage administrative supporting units which commander considers urgently essential, including engineers, signal corps, army service corps and medical corps of about fifty each, as well as other smaller administrative detachments, making total of between two hundred fifty and three hundred men. This responsibility then would be shared between this country and Norway.

"Hence at end first para following might be added "country concerned would help to supply at this stage much needed personnel for administrative services of UNEF". In next sentence after question of just before ground troops insert "when and where". In same sentence after word origin add "shall be used" and change "could" to "can". Assume last sentence regarding cause of worry not a part of communiqué. For your info country concerned is able to provide air transport squadron immediately." Ends.

4. Later in the afternoon Cordier phoned to say that he had discussed the matter with Hammarskjöld but that the connection was very bad and that the Secretary General would wait for the telegram. Meanwhile he had sent a message which might be disregarded in the light of new developments. He would take the new suggestions up with Nasser immediately and hoped to let us know the result during the course of the evening.

5. That is where the matter now stands.

L.B. PEARSON

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164. DEA/50366-40

L'ambassadeur en Égypte
au secrétaire d'État aux Affaires extérieures

Ambassador in Egypt
to Secretary of State for External Affairs

TELEGRAM 208 Cairo, November 17, 1956

SECRET

Following for Minister.
Reference: Our phone conversation.
Repeat from Ottawa to Permis New York (Most Immediate).

Following is text of Fawzi-Secretary General informal draft which I read to you over phone. Begins. "Canada is welcome as a country from which units of UN emergency force be drawn. It is felt most important contribution that could be given at present stage from that country would be air support in transporting troops from Italy and for current functioning of UN emergency force in Egypt.

The question of ground troops of Canadian origin could best be considered when UN emergency force can assess its needs at armistice lines. The present situation seems to be one where (it?) is not repeat not a lack of troops for immediate tasks but of possibilities to bring them over and maintain their lines of communication that is a cause of worry." Text ends.

2. Comments in my immediately following telegram.

[HERBERT] NORMAN

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165. DEA/50366-40

L'ambassadeur en Égypte au secrétaire d'État aux Affaires extérieures

Ambassador in Egypt to Secretary of State for External Affairs

TELEGRAM 209 Cairo, November 17, 1956

SECRET

Reference: My tel 208 Nov 17.
Repeat from Ottawa to Permis New York (Most Immediate).

CANADIAN CONTRIBUTION TO UN EMERGENCY FORCE

Following for Minister. After phoning you I immediately saw Secretary General just before he left to see Nasser. He wanted me to make these points:

(i) To best of his knowledge Egyptian Government had not repeat not at any time agreed to participation of Canadian of ground forces.

(ii) On the other hand he has met no repeat no opposition in principle from them to our ground forces. This is most advanced stage that has been reached. The approach is essentially pragmatic and stage by stage. A danger of friction arises Egyptians believe, from Canadian troops following hard upon British withdrawal from Port Said area. (In this connection he finds British use of phrase "taking over" as a vexing factor in these negotiations). This area is really nub of problem. If we insist on our troops immediately following the British in Port Said he thinks Egyptians have grounds for not repeat not wishing to shoulder full responsibility for consequences. He fears that all this might distort at very start an operation which is delicate enough and which looks to no repeat no assistance from precedents.

(iii) He has insisted as draft shows that airlift alone is not repeat not enough from Canada which would put us in same category as Swiss air operations. He emphasized importance of air cover (in draft "current functioning") which he hopes we can provide.

(iv) Egyptians have not repeat not in effect laid down conditions nor attempted (in any?) way to dictate but have expressed in reasonable terms he believes the practical problems that they must face. They are the guinea pig of this first experiment, any government in their place would examine carefully the internal political consequences rising from various aspects of this operation.

2. As soon as possible I will inform you of results of Secretary General's talks with Nasser. If Nasser gives his concurrence the draft will become an official communication from Secretary General to Canadian Government and not repeat not just a confidential document drafted by Fawzi and Secretary General.

[HERBERT] NORMAN

166. DEA/50366-40

L'ambassadeur en Égypte
au secrétaire d'État aux Affaires extérieures

Ambassador in Egypt
to Secretary of State for External Affairs

TELEGRAM 210 Cairo, November 17, 1956

SECRET. MOST IMMEDIATE.

Following for Minister.
Reference: My immediately preceding tels 208 and 209.
Repeat from Ottawa to Permis New York (Most Immediate).

CANADIAN CONTRIBUTION TO UN EMERGENCY FORCE

1. Secretary General has just sent me a message, Begins. "After conversations with President Nasser and Ambassador Fawzi I can give you and your Government the following summary of conclusions of our talks concerning Canadian participation. The text has been seen and approved by President Nasser."

Then follows text of agreement which is identical with text of draft which I sent you in my telegram 208.

[HERBERT] NORMAN

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167. DEA/50366-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs

TELEGRAM POLEG-1305 New York, November 18, 1956

CONFIDENTIAL. MOST IMMEDIATE.

Repeat for information London, Washington, NATO Paris and Paris.

UN EMERGENCY FORCE

Following are texts of two messages which Cordier received early this morning from the Secretary General.

First message.

Reference your 9 and telephone conversations. I stress again the text sent by me is not communiqué but message from Secretary General to Foreign Minister of country concerned setting out substance of my agreement with other party. If (true?) to the substance, addressee and his Government can, of course, paraphrase it as appropriate for their purposes or use my words as their own if they so prefer, in both cases indicating that judgments are those of Secretary General.

As to substantive side of suggested amendment, I have been able to discuss matter late tonight on top level and have agreement to inclusion of administrative supporting units which Commander states urgently essential (including, for example, medical corps and army service corps). As to other details I did not get them over the telephone and therefore have not necessary agreement. I fear that number of men in case of full implementation may be on high side. Declaration can, for these reasons, not be more explicit than I have said here and detailed settlement must be made by Burns as I cannot possibly re-open case on details on top level before my departure tomorrow morning. Under these circumstances the question on wording raised in your cable does not arise. What I achieved in substance is clear from above and as, in any case, final statement is most likely to be paraphrased, they can include content of addition, as it suits them.

Final sentence regarding cause of worry is, of course, not part of any formal statement but, as part of message to the party, was intended to serve as an indication of what judgment I feel they, in their own words, may use in order to indicate value of contribution.

Most gratified to hear country concerned is able to provide air transport squadron immediately. We can, pending arrival, proceed with temporary additional assistance as indicate in special cable, if stationing possibilities permit and/or need indicated in that cable makes it necessary.

Second message.

As known to you, air transport has developed into bottleneck due to landing difficulties at night. You are presumably informed about Italian offer to assist with a number of C119 transport planes. Nasser agrees temporary use of C119's pending arrival of Canadians. He does not want this to mean Italy should be included "participating countries" in any other sense than it is already as support party providing staging area, Naples. Temporary character of arrangement should be made quite clear to Italians so that no bad feelings arise when they are replaced by Canadians. Please inform Naples and instruct them to cross check with Egyptian authorities. Wing Commander Sabry was present at settlement else probably nothing on record so far.

Please draw most urgently to Burns' attention the following situation. Insistent reports allege that trouble between civilians and occupying forces in Port Said continue with a daily death toll. Egyptians are firmly convinced truth of allegations and very serious about it saying that echoes from Port Said have strong inflammatory effect and may lead to uncontrollable reactions against foreign elements in country. Stories partly emanate from people who have managed to escape from the city. Popular reaction strengthened through alleged eye witness reports from international press.

Personally I can of course have no opinion on validity of charges short of impartial observers' reports. Possibility also of Egyptian underground and feelings developing are every reason for consideration counter action. Egyptian conclusion is that we should with greatest urgency detach reasonable number of observers and as quickly as possible at least small unit UNEF down to Port Said. They are willing to provide all facilities including necessary support and supplies if that would at present be bottleneck. Under these circumstances, please undertake immediately exploration and planning for detachment of unit to Port Said so that we can agree on orders on my arrival Monday morning. If you do not feel that unit could go to Port Said before your return it should at least be possible to detach more speedily observers in such number as would count. As part of preparation please contact, together with Bunche, the British, if possible Selwyn Lloyd himself, and explain situation, stating that this instruction and ensuring steps do not imply any judgment of what are the facts on either side, but represent counter measures rendered necessary already by the way rumours develop in restive Egypt, as this must be recognized as a most serious element at present stage.

L.B. PEARSON

168. DEA/50366-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly, to Secretary of State for External Affairs

TELEGRAM POLEG-1306 New York, November 18, 1956

SECRET. MOST IMMEDIATE.

Reference: My immediately preceding telegram.
Repeat for information London, Washington, NATO Paris and Paris.

UN EMERGENCY FORCE

My immediately preceding telegram with messages that came last night from Cairo, confirms that the compromise suggestions that we have put forward regarding Canadian forces is satisfactory. The situation now is:

(1) Canadian participation in the UN force has been approved by Egypt. The question of Egypt's agreement does not, of course, arise, even though some of Hammarskjöld's language seems to give that impression. This is something we will have to clear up with him when he returns to New York to make sure that there is no doubt on this score. However, the question of approval is something else and that has been secured by Hammarskjöld.

(2) Our immediate contribution is that of air transport and administrative units and General Burns has stated that this is the most important thing that we can do now. In fact, he realizes that the headquarters and base in Egypt must be organized before more police troops can usefully be employed. The Canadians, for the time being at least, will mainly supply the administrative services for the force that is there, along, I understand, with some Norwegians.

(3) The Canadian infantry battalion will go when and where the UN Commanding Officer and the Secretary General (who, it must be remembered, is to act on major decisions with the advice of the Political Advisory Committee of seven) decide.

2. It is hoped here that the air transport with the administrative units can now leave with the least possible delay.

L.B. PEARSON

169. DEA/50366-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly, to Secretary of State for External Affairs

TELEGRAM POLEG-1326 New York, November 19, 1956

SECRET. MOST IMMEDIATE.

Repeat for information London, Washington, Paris and NATO Paris.

By Bag: Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London, and Delhi from Ottawa.

UNEF

About noon on November 19, after the meeting of the Advisory Committee, I spoke privately to Hammarskjöld about his visit to Cairo. I was, of course, mainly interested in the question of Canadian participation in UNEF.

2. Hammarskjöld assured me that he had entered into no agreement with Nasser concerning the composition of UNEF. He had not departed from the position in principle that it was the UN General Assembly and not the Egyptian Government which should decide the composition of the force. The Secretary General had, however, recognized that political reality made it desirable to take into account the Egyptian point of view. He had been faced in Cairo with some hard political facts and in particular with the fact that Egyptian public opinion was deeply involved.

3. In speaking to Nasser, Hammarskjöld had been hard-pressed to persuade him that there was nothing suspicious about the inclusion of such a strong Canadian contingent in UNEF. Hammarskjöld thought he had made some headway but clearly Nasser continued to feel that Egyptian public opinion would be uneasy. However, Hammarskjöld had taken no stand which would exclude the sending forward of the Canadian infantry battalion when the UN Commander, having organized the present forces at his disposal, had occasion to consider necessary additions to the force to enable it to cope with expanding functions. There should be no misunderstanding on this score.

4. The real problem about Canadian participation seemed to be that the Egyptian Government would have difficulty in explaining to the Egyptian public the situation which would arise, in particular in Port Said, when the UK troops had gone or were going, and it appeared that they were largely being replaced by Canadians. The Egyptians claim that not only would there be a strong possibility of incidents involving the Canadian troops, but there might be popular repercussions in Port Said and even in Cairo. Hammarskjöld suggested to me that this situation might ease considerably once the Egyptian Government and people had become accustomed to the presence of UNEF and once the force itself had been deployed on its various functions. Specifically, it would be easier to deploy Canadian infantry in the Sinai or along the demarcation line than in the immediate vicinity of the Canal, though the latter was not excluded. This was the impression that Hammarskjöld was left with after his discussions with Nasser and Fawzi.

5. In strict confidence Hammarskjöld told me that his visit to Cairo was the toughest situation he had ever had to face. He had been under considerable pressure. He found Nasser friendly but confident and demanding, expressing a determination to continue the fight if the UN could not produce a solution. Nasser seemed quite prepared to call in the Russians if he had to, although professed a very strong preference for not doing so. The Secretary General is extremely worried about the situation he found in Cairo. He is convinced that Nasser is keeping in close touch with the USSR and is ready to take advantage of their offers of assistance and advice if driven to it. In Hammarskjöld's view there remains considerable risk in the whole situation. At the same time he does not ignore the possibility of a good deal of bluff behind Nasser's firmness. Hammarskjöld's three worries in order of immediate anxiety are:

(1) incidents in Port Said which will end the cease fire;

(2) refusal of the British and French to withdraw until all their own maximum demands are met;

(3) refusal of the Israelis likewise to withdraw.

6. He is also very worried about a clash between the British and French desire to ensure an early clearance of the Canal with their own participation in the operation and Nasser's determination to move in and take full control of the Canal as soon as the UNEF take over and British and French troops begin to move out.

[L.B.] PEARSON

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170. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], November 20, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of National Revenue (Dr. McCann),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Northern Affairs and National Resources (Mr. Lesage).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin).

. . .

INTERNATIONAL SITUATION; CONTRIBUTION TO UNITED NATIONS EMERGENCY INTERNATIONAL FORCE IN THE MIDDLE EAST

(PREVIOUS REFERENCE NOV. 16)

3. *The Minister of National Defence* said that the Chief of the General Staff and the Chief of the Air Staff had returned from New York where they had held conversations with the Commander of the United Nations Emergency Force concerning his request that the most urgently required contribution from Canada at the moment would be an augmented transport squadron of the R.C.A.F. and administrative elements of the army. General Burns had reached this conclusion because of the present attitude of the Egyptian President towards Canadian infantry being stationed in Egypt, the need to provide quickly adequate transportation between Naples and Egypt and the necessity of establishing a headquarters and administrative services in Egypt for the remainder of the force. It was proposed that the Queen's Own Rifles and H.M.C.S. *Magnificent* remain at Halifax for the present, and that an R.C.A.F. squadron consisting of C-119 aircraft and from 400 to 600 men, and certain service sub-units of the army, totalling approximately 300 men, be dispatched forthwith to the Middle East.

The Minister submitted a recommendation† to authorize the maintenance on active service of up to 2,500 members of the armed services as part of the U.N. Emergency Force.

4. *Mr. Campney* added that the army part in the operation would be a particularly difficult one and he and his advisers would have preferred to have sent the battalion group. However, the U.N. Commander had requested the change and the only course open was to accept it. The Queen's Own Rifles and the *Magnificent* might eventually be sent, once the situation in Egypt was clarified and General Burns was able to determine when and where the battalion could be used. One of the many complicating factors affecting such a decision was the uncertainty surrounding the British and French intentions on the future of their forces in the canal zone.

5. *During the discussion* the following points emerged:

(a) The Egyptian objections to the landing of the Queen's Own Rifles in their country would be difficult to explain, particularly after the battalion had been brought from Calgary to Halifax and the *Magnificent* hurriedly returned from the United Kingdom. However, it could be said quite emphatically that everything done in Canada in preparing a contribution to the emergency force had been done as a result of requests by the U.N. There might be some dissatisfaction with the way the U.N. had handled the situation, but there was no alternative but to deal with the U.N. requests as they were made.

(b) Another aspect of the matter was that Canada had acted rapidly to set an example to other countries to support the U.N. This was surely right and something which the public would be apt to understand and appreciate.

(c) Many who had earlier criticized the British and French invasion of Egypt were now beginning to feel that the original intentions of this action were correct and that they should have seized the whole of the canal and toppled Nasser from his position. Some would say that this had not been done due to influences brought to bear on the U.K. and French governments including pressure from Canada.

6. *The Cabinet* approved the recommendation of the Minister of National Defence that personnel of the Armed Forces not exceeding 2,500 in number, be maintained on active service for the purpose of contributing to the United Nations Emergency International Force, established to secure and supervise hostilities in the Middle East; such personnel to include an air transport squadron, certain administrative elements of the army, and possibly an infantry battalion.

(An order in council was passed accordingly; P.C. 1956-1712, Nov. 20).

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171. DEA/50366-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs

TELEGRAM POLEG-1345 New York, November 20, 1956

SECRET. IMMEDIATE.

Repeat for information London, Washington, Paris and NATO Paris.

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi from Ottawa.

UNEF

The Advisory Committee on UNEF met twice on November 20 to give further consideration to the Secretary General's proposed reports on his visit to Cairo. The Secretary General will be producing three reports:

(a) a report on basic points for the presence and functioning in Egypt of the UNEF;[153]

(b) a report on arrangements for clearing the Suez Canal;[154]

(c) a report on compliance with the Assembly resolutions calling upon the UK, France and Israel to withdraw their forces from Egypt.

2. As a result of the meetings yesterday and today the first two reports have been finalized and will be released either late tonight or early tomorrow. We will send you the texts as soon as they become available here. To transmit the various drafts would be of little help to you because of the complicated process of negotiation which has involved not only the advisory committee but also the Foreign Ministers of the UK, France and Egypt. We understand that the final version of these two reports has been approved by all concerned.

3. The report on compliance is not complete because it will depend on replies which the UK, France and Israel give to the Secretary General to questions along the following lines:

(a) Has any withdrawal taken place?

(b) What plans have been made for withdrawal?

(c) What are the reasons for the delay in withdrawal?

(d) Have the parties any observation to make concerning compliance with the cease fire called for in the Assembly resolutions?

The Secretary General hopes to be in a position to finalize this report on November 21. He intends merely to transmit the correspondence with the UK, France and Israel under cover of a short explanatory note. Ordonneau of the French Delegation told us this evening that the French could not reply until tomorrow (November 21). In speaking to the Advisory Committee the Secretary General emphasized that he considered it necessary to make this report on compliance because the Assembly resolutions asked him to report "promptly" and two weeks have elapsed since the adoption of the resolution.

4. The Secretary General expressed the opinion that the debate on the report on compliance would be more acrimonious than that on the other two reports. This heated debate might slow down rather than speed up the actual withdrawal. It might also create a bad atmosphere for the discussion of the other two reports. In consultation with leading delegations, therefore, the Secretary General is giving careful consideration to the timing of the presentation of the three reports to the General Assembly.

5. We regret the sparse reporting on the discussions in the Advisory Committee but this is almost unavoidable. Quite apart from the pressure of work here, the discussion in the Advisory Committee is so complicated that it is difficult to rely on memory or rapidly scribbled notes. For this reason we have been sending you, as soon as we can, the verbatim record of the Advisory Committee which is distributed (in one copy) only to the Head of each of the seven delegations. In today's bag we are sending the record for two meetings,

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[153] Voir *La crise du Moyen-Orient, octobre-décembre 1956*, pp. 22-24.
See *The Crisis in the Middle East, October-December, 1956*, pp. 19-20.

[154] Voir *La crise du Moyen-Orient, octobre-décembre 1956*, pp. 24-25.
See *The Crisis in the Middle East, October-December, 1956*, p. 21.

including the one yesterday. Unfortunately the records are much too long to send by telegram.

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172. DEA/50366-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs

TELEGRAM POLEG-1368 New York, November 21, 1956

SECRET. IMMEDIATE.
Reference: Our tel 1345 Nov 20.
Repeat for information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi from Ottawa.

UNEF

In para 3 of my telegram under reference I gave the sense of the questions which the Secretary-General had directed to the Governments of UK, France and Israel concerning compliance with the Assembly resolutions calling for a cease-fire and withdrawal of their forces from Egypt. On November 21 at a meeting attended by Selwyn Lloyd, Casey, Macdonald and myself, Casey asked how the UK intended to reply to the four questions. Selwyn Lloyd said that he had suggested to London replies along the following lines:

(a) No significant withdrawal has taken place but the character of the Anglo-French forces has changed from assault to ground troops. Moreover, the Anglo-French forces have been assisting and cooperating with UN command, specifically making arrangements for the Norwegian company to enter Port Said; the main body of the Yugoslav contingent to disembark at Port Said and to be assisted in transit; providing the necessary vehicles for the Norwegian ambulance company, a complete military transport for the Indian infantry battalion, and some fuel, medical supplies and rations for UNEF.

(b) In replying to the second question the UK would refer to their reply of November 6 to the Secretary-General and to the cease-fire which had resulted from the fact that satisfactory arrangements were made. As soon as the UK is satisfied that UNEF can effectively assume the tasks assigned to it, the Anglo-French forces will be withdrawn. At present, however, UNEF is still being built up and is not in a position to carry out its tasks.

(c) UNEF will need time to mobilize a sufficient force to undertake the tasks assigned to it. At present it is not organized nor equipped to fulfill its functions. (This reply is intended to explain the delay in withdrawal).

(d) The cease-fire has and is being strongly observed by the Anglo-French forces despite Egyptian provocation.

2. On hearing these suggested replies I emphasized that in order to improve their position in the debate on the Secretary-General's report, the UK and France should try to state in the Assembly that they have taken some steps to comply with the resolution concerning withdrawal. Casey agreed that even a token evacuation would help the Anglo-French position. Macdonald said that it was a gamble either way but that undoubtedly some evidence

of compliance would be helpful. Later in the day Selwyn Lloyd told me that, as a result of consulting his Government, he would be in a position to announce during the Assembly debate the withdrawal of a UK battalion from Port Said. This is encouraging not only because it will help to mitigate Afro-Asian opinion but may persuade the USA to be more cooperative in assisting all of us, including the UK and France, out of this acute dilemma in relations among the Western Powers.

[L.B.] PEARSON

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173. DEA/50366-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly, to Secretary of State for External Affairs

TELEGRAM POLEG-1377 New York, November 22, 1956

SECRET. IMMEDIATE.

Repeat for information Washington, London, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi from Ottawa.

UNEF

At a Commonwealth meeting on November 22 on the initiative of Selwyn Lloyd there was a useful discussion about several questions raised in the Secretary-General's report on basic points for the presence and functioning in Egypt of UNEF. Lloyd's intention seemed to be two-fold, to sound out the Asian members, particularly Ceylon and India, on the attitude they would adopt toward the report and to reassure Australia, NZ and South Africa that, notwithstanding the alarming speculation about Nasser's attitude, the development of UNEF was proceeding in an encouraging way.

Composition

2. Lloyd referred first to the composition of the force; he said he wanted to know the basis on which elements of the initial force had been determined; he suggested that the report seemed to leave open the question in principle of how the force should be composed. I pointed out that the report was general in character and represented the barest summary of a long and difficult process of consultation and discussion, both between the Secretary-General and the Government of Egypt and in the Advisory Committee. I said that there were differences of opinion in the Advisory Committee about interpretation of language both in the Secretary-General's report and in the relevant resolutions of the Assembly. Regarding the composition of the force, I emphasized that my interpretation, which I had pressed in the Advisory Committee, was that, although it was wise and desirable to consult the Egyptian Government about the arrival of the force in Egypt, that government should not have the determining voice in any question of composition. It was on that understanding that Canada had accepted those parts of the report concerning the composition.

3. Mir Khan said immediately that Pakistan was one of the first countries to offer a contingent. Pakistan's offer had not been accepted although subsequent offers had. It

seemed to Pakistan that the Egyptian Government had been permitted by the Secretary-General to veto some of the national contingent. Mir Khan then gave in a vague way his understanding of how the question of composition had been discussed between Hammarskjöld and Nasser (Mir Khan spoke to us in greater detail about this and we are reporting his views separately†). He said among other things that the Egyptians had proposed that certain countries be included in the force and these countries had been accepted by the Secretary-General. He alluded to the fact that the Secretary-General had emphasized that the present force was an advance element to which other units would be added. What Pakistan wished to clarify was whether the additional elements would be provided from existing offers, not accepted, or by enlarging the contribution of countries now participating in UNEF.

4. Lall said that his views about the composition of the force were not irreconcilable with mine. He stated (as he had in the Advisory Committee on November 20) that there appeared to be no insurmountable problems in practice and that he hoped there would not be; that questions of composition could be worked out. It was India's view, however, that the UN had taken no general decision about the creation of a UN force. This could only have been taken after a full discussion of the principles involved. What had been decided was to establish a UN emergency force for an ad hoc purpose. Questions of basis principles had not been discussed because of the time factor. These questions remained "largely reserved or undecided". It had been essential to get Egyptian consent to the arrival of UNEF; this had been secured on the basis of clarifications which the Secretary-General had given and which included the notion that the composition of the force would be negotiated. In India's view Nasser had reacted "rather reasonably". Concerning Canadian participation Lall said that India was strongly in favour of it; that India had pressed the Egyptian Government to accept a Canadian contingent and would continue to do so. He pointed out that UNEF was a most popular army; that the Secretary-General had in no sense screened the offers; that the initial force had been composed of units on a basis of immediate availability. The Egyptians had asked for the inclusion of some contingents which had not been accepted. On the whole the matter was developing well and in time, Lall hoped, all the problems of composition could be resolved. The ultimate size of the force would likely be larger than the 4000 now contemplated.

5. Mir Khan said that Egypt's main objection seemed to be to Commonwealth contingents. He argued that the Egyptians should at least accept the whole Canadian contingent to show that this was not the case. Lall observed that some Canadians were already in the force. I intervened to say that we had some difficulty about the form of the Canadian contribution to the force. We had originally planned to send a self-contained battalion but for reasons (partly political and partly practical) we had agreed to send as a matter of priority the augmented air transport squadron and the service elements of the army contingent. I emphasized the difficulty which Burns was having in absorbing infantry contingents; how necessary it was to establish his headquarters and support units. We had sent our service elements in the hope that they would assist him out of his difficulties but this [does] not mean that our infantry battalion would not be joining the force. Its arrival in Egypt was merely postponed. I acknowledged the assistance which India had given us in resolving our initial difficulties with Egypt about the inclusion of a Canadian contingent in UNEF.

6. Mir Khan insisted that the principle should be clarified of whether the Government in whose territory the force would serve should have a veto. Canada, I said, would not admit that this veto existed. We had accepted the advice of the Secretary-General and the UN Commander about the priority of our contribution to UNEF but this did not mean that the

Canadian battalion would not participate in the force. Lall expressed the hope that the Canadian battalion would be participating. He pointed out that the issue of principle remained undecided but he added that we should all bear in mind that Egypt was the victim rather than the perpetrator of aggression. If Egypt had been the aggressor, the position might be very different.

Function

7. Lloyd then raised the question of the functions of the force. No one had suggested that UNEF should have the task of clearing the Canal but UNEF must create conditions for the clearance, that is, it must ensure that there was no fresh outbreak of hostilities and that the cease-fire was maintained as well as internal order in the area. If the UNEF's sole purpose was to supervise the withdrawal of Anglo-French forces, this would not be satisfactory to the UK.

8. I said that the functions of the force had also been discussed in the Advisory Committee but that we had considered it desirable to leave them undefined but without prejudice. The functions were of course derived from the various Assembly resolutions but these were subject to different interpretations. To some extent the functions had been clarified in the Secretary-General's final report (A/3302 of November 7). I referred to the Canadian resolution of November 4 and the USA resolution of November 2. In my view neither of these resolutions precluded the force of taking action in any part of the territory in which the hostilities had taken place. I said there was a clear relationship between securing the cease-fire and clearing the Suez Canal. In short I argued that there should be no restrictive interpretation of the functions of UNEF.

9. Lall supported me by pointing out that India had introduced the word "all" into the Canadian resolution before the word "terms", both words referring to the USA resolution of November 2. Lall pointed too to the fact that the annex to the Secretary-General's present report [on basic points for the presence and functioning in Egypt of the UNEF] (A/3375 of November 20) implied that UNEF would be maintained "until its task is completed". Lloyd said that as long as Egypt continued to recognize this position, there should be no difficulty. The Representative of Ceylon endorsed what Lall had said. Mir Khan said Pakistan's position corresponded to that of Canada.

10. Munro asked why the words "in good faith" appeared twice in the operative part of the annex. I replied that the Secretary-General had laid great emphasis on the fact that if there should not be "good faith" on the part of all concerned, there could be no progress along the lines on which we were proceeding. There was general agreement at the meeting on this point.

11. Lloyd who had given no prior indication that he would raise these questions in the Commonwealth meeting, asked whether I agreed with his approach. I said I thought the exchange of views had been very useful and that I was encouraged to expect a moderate and perhaps more expeditious debate in the Assembly on the Secretary-General's report than had seemed possible a few days ago.

12. There was another talk later with the same group as above except India and Ceylon. Lloyd expressed the hope that the debate on the Secretary-General's report would not begin until tomorrow as their instructions from London had not yet been finalized. I undertook to find out from the Secretary-General's office what the plans were. Therefore I left to see Cordier and found that the orders were about to go out for an afternoon discussion. I gave the cause for delay and the Secretary-General having joined us it was decided to begin the discussion tomorrow. I reported accordingly and the others seemed very relieved.

13. Later Hammaskjöld showed me a draft resolution of approval for both parts of the Secretary-General's report. I persuaded him to divide those parts with a resolution for each, and to give priority to the one regarding the clearance of the Canal which is matter of urgency and should if possible be dealt with first and quickly. He is trying to get the USA and India to sponsor the resolution or rather now the two resolutions. I hope he is successful in this and he thinks he will be.

[L.B.] PEARSON

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174. DEA/50134-40

La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Delegation to United Nations General Assembly
to Secretary of State for External Affairs

TELEGRAM POLEG-1427 New York, November 26, 1956

CONFIDENTIAL. IMPORTANT.

Repeat for information Washington, London, Paris, NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi from Ottawa.

UNEF

You will have received separate reports† on the actual debate in plenary on November 24 concerning the two resolutions:

(a) One submitted by the Afro-Asians concerning compliance with the earlier resolutions calling for the withdrawal of forces;[155]

(b) The other submitted by six powers (including Canada) noting with approval the reports of the Secretary-General on the presence and functioning of UNEF and arrangements for clearing the Suez Canal.[156]

2. The main argument in the debate was about the first operative para of the Afro-Asian draft resolution. We have already sent you the first text of this para which began with the words "notes with grave concern". This text emerged in the debate on November 23 and was found unacceptable by a large number of delegations, including the old Commonwealth, most of the Europeans and a substantial number of Latin Americans. It may also have been unacceptable to the USA. Realizing that their draft resolution would not have overwhelming support in the Assembly, the Afro-Asians, led by India, made some effort to improve its wording. About the close of the debate on November 23 Lall showed to a number of delegations a revised para, couched in the language of the Secretary-General's report on compliance. This para in effect noted the steps which had been taken to comply with the earlier Assembly resolution.

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[155] Voir *La crise du Moyen-Orient, octobre-décembre 1956*, pp. 21-22.
See *The Crisis in the Middle East, October-December, 1956*, p. 18.

[156] Voir *La crise du Moyen-Orient, octobre-décembre 1956*, p. 25.
See *The Crisis in the Middle East, October-December, 1956*, p. 22.

3. This revision might have been acceptable to the large majority of delegations but it turned out to be unacceptable to the Arabs, particularly to Egypt. As a result, overnight the para was reworded in the form in which it appeared in Document A/3385/Rev.1. The text of the revised operative para 1 was sent to you. It began with the words "noted with regret". This revised para used the substance of the Secretary-General's report on compliance but in a negative sense. In other words, the revised para expressed regret for what had not been done and contained an implication that the UK announcement to withdraw the battalion might be no more than an announcement. It stated moreover that "no Israel forces have been withdrawn behind the armistice lines". For this reason during the course of the debate on November 24 Eban declared that this para apparently had the support of the USA delegation. Late in the debate on November 23 and occasionally during November 24 Menon and Knowland had long consultations. The revision was not, however, acceptable to the UK and France, nor to the majority of Western Europeans. A few of the Latins also had doubts about it, notably Brazil, Cuba and Peru.

4. Menon's effort to precipitate the vote on both the resolutions has already been described [telegram 1421 of November 25/56†]. His threat to withdraw from the sponsorship of the second resolution and not to vote in favour of it was a crude attempt to bully the Assembly into giving him his way. In the debate on the afternoon of November 24 his language was less obstreperous but his intention remained clear; unless the Afro-Asian draft resolution were accepted in its revised form, Indian and Afro-Asian support for the more important draft resolution on the force and on the clearing of the Canal might be withheld.

5. Because of the unholy alliance between Menon and Knowland the amendment submitted by Spaak had no chance of being adopted. It made it possible, however, for Spaak to make a strong statement in favour of applauding to some extent the way in which the UK, France and Israel were responding to the Assembly resolutions and urging wisdom and moderation in trying to reach a solution. The amendment also made it easier for a number of delegations to abstain on the Afro-Asian resolution.

6. Menon offered another show of bad manners in refusing to allow, in advance of its being requested, a separate vote on the contentious first operative para of the Afro-Asian draft resolution. It is not often that a request for a vote on parts of a resolution is denied. A Jordanian motion to bring about a closure of the debate was also permitted by the chairman without allowing the usual two statements for and against the motion for closure.

7. Notwithstanding the unpleasant moments in the debate, the adoption of the resolution on the force and on the clearing of the Canal was a considerable achievement. It will enable the Secretary-General to pursue his plan regarding those two important measures concerning the Canal. On its face the Afro-Asian resolution is not too unreasonable and, in effect, amounts to an unnecessary reiteration of the previous Assembly requests that parties comply with the resolutions on cease-fire and withdrawal.

8. The Canadian position on these two resolutions was explained in the Minister's statement in plenary on the afternoon of November 23. The text of this statement was transmitted in our telegram 1405 of November 23.†[157]

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[157] Voir *La crise du Moyen-Orient, octobre-décembre 1956*, pp. 25-27.
See *The Crisis in the Middle East, October-December, 1956*, pp. 22-24.

175. DEA/50134-40

La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Delegation to United Nations General Assembly
to Secretary of State for External Affairs

TELEGRAM POLEG-1463 New York, November 27, 1956

SECRET. IMMEDIATE. CANADIAN EYES ONLY.

Reference: Our POLEG 1427 Nov 26.

Repeat for information Washington, London, Paris, NATO Paris, Delhi from Ottawa (Important).

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London.

ANGLO-AMERICAN RELATIONS AT UN

The UK Delegation here seem to be more depressed and bitter about Middle East developments and rift with the USA than we have yet seen them during the present crisis. Lodge had told Lloyd on November 22 that it would "make all the difference" if Lloyd could announce withdrawal of one battalion before the vote on an Asian resolution calling again for immediate withdrawal. At same time in Washington, Hoover had told Caccia that the USA would "at least abstain on Asian resolution". By pushing London hard, Lloyd was able to announce battalion withdrawal. Yet on November 24, the USA, judging the battle useless, had failed to support the Belgian amendment and had voted in favour of the Asian resolution in the form demanded by Menon. Lodge had excused himself by saying that Menon's tactics had made it impossible for them to abstain on the Asian resolution without being misunderstood, while Hoover sent word through Murphy to Caccia that in the circumstances the USA Government was "the prisoner of its own policy".

2. While UK Delegation acknowledged that breach with USA cannot be repaired until Anglo-French withdrawal from Egypt, they would be more willing to withdraw if they were less dubious of intentions of USA even after withdrawal. In short term, they are worried by the USA reluctance to bring forward their two resolutions on procedures for a settlement. The UK Delegation point out that these USA resolutions were submitted at same time as UNEF and withdrawal resolutions and were regarded by UK as part of the package they accepted. Now the USA are delaying action on their resolutions as a form of pressure upon UK and French to withdraw.

3. Thinking further ahead, UK delegation recall Dulles' speech in August as an indication of latent desire of the USA Government to play a role on colonial issues less inhibited by their Western Alliance. They are talking now of possibility of Afro-Asian group, unrestrained by USA, adopting tactics on Algeria and Cyprus which would make it difficult for the French at least to remain in the Assembly. They are even questioning whether USA want UK and France to remain great powers in any sense.

4. Ramsbotham, who is the chief source of these misgivings, thinks personally that Senator Knowland has been a principal roadblock in USA Delegation but that his point of view is pretty well reflected by Rowntree in State Department. Present situation is a heaven-sent opportunity of improving position of USA in Afro-Asian area to offset headway made by USSR in what has become the crucial uncommitted group in the new General Assembly.

5. UK and French delegations are not of course the only ones who are seriously worried by these developments. A real crisis of confidence appears to be in the making between the USA and a good many of the Western European countries. It is natural that Western Europe should feel keenly the dangers to the Western Alliance and that the colonial powers of Western Europe especially should fear the new anti-colonial tack in USA policy. Some of them are charging the USA with alienating their true friends in order to curry favour with peripheral countries who will never really be their friends. These concerns have already found expression in Assembly statements, notably Casey's on November 26 (our telegram of November 26). The rather crude reporting from Rabat and Algiers in *New York Times* November 27 will add to the general impression here of USA attempt to displace the UK and France in North Africa and the Middle East.

6. While the USA seems to be deliberately applying pressure upon the UK and France to withdraw their troops from Egypt, most of their delegation appear to be as concerned as the rest of us that the rift should be healed as soon as the UK and France have withdrawn the bulk of their force. DePalma told us on a personal basis that he felt it was a tragedy for the USA delegation to be under instructions not repeat not to talk to the UK delegation frankly. As soon as the UK had withdrawn the USA would work with them to apply whatever pressure might be necessary, including cutting off supplies, to ensure that Israel withdrew from Gaza where UNEF forces would be stationed. Similarly, USA would then work hard for negotiations being resumed both on Palestine and on Suez questions. If, as now seemed possible from indications USA had had from Egyptian sources, direct negotiations based on six principles could be resumed between UK, Egypt and Secretary-General, DePalma thought USA would withdraw their suggestion for establishing a committee. Their present hope was that if the fact of negotiations could be kept secret, direct talks could begin within two weeks of Anglo-French troops being withdrawn.

7. USA delegation are convinced UK and French Governments have seriously overestimated the strength of their bargaining position both in Assembly and outside. If they attach conditions to their withdrawal and the upshot will be a further Assembly demand for withdrawal, probably on terms less favourable to UK and France than those which have just been approved by the Assembly in the Secretary-General's report. Though Suez clearance appeared to be most important UK precondition now, DePalma thought UK would have to be content with present understanding which would leave UNEF forces in small numbers to observe Canal area until cleared of obstacles, ie for some months. Meanwhile Canal negotiations could be resumed and a formula might with luck be negotiated.

8. As you know, we have urged UK not to take public positions or insist on pre-conditions from which they would have to climb down later with no advantage to their short or long term bargaining position. Whatever motives may be attributed to USA policy, it seems to us that the facts of our present situation require the USA to increase its influence in North Africa and the Middle East since this is the only hope of preventing Soviet influence from dominating the area. Some of the heads of the Arab and Baghdad States are no doubt still privately well disposed to the British but in terms of public opinion the UK and still more the French must have lost tremendously. Therefore the interests of the free world are that the USA rather than the USSR fill the vacuum. It is not a matter of intention or motive but of necessity.

9. The UK-French action is a fact which the Afro-Asians will not quickly forget or forgive and it is no use the UK delegation attempting to silence their feelings by deploring "recriminations", and "digging up the past". Both morally and strategically the position of Anglo-French forces in Egypt appears to have become untenable.

10. While the present crisis in Anglo-American relations is inescapable, and will require our best thoughts and efforts to repair at the proper time, we are of the opinion that Canadian delegation should continue in the independent course we have taken in Assembly while working on the USA and the UK delegations to talk to each other at all times and return to full cooperation as soon as major withdrawals of UK and French forces from Egypt have begun.

11. Meanwhile, Mr. Pineau has returned to Paris over the weekend with ill concealed irritation and Mr. Lloyd went back to London noon November 27.

12. While we hesitate to put forward suggestions in the Minister's absence in Ottawa, it does seem to us at official level that present rift in NATO is bound to have serious repercussions at December 11 Ministerial Council unless real efforts have been made by both sides before Council meets. In any case by that time patience of Assembly majority will be running out unless withdrawals are under way. If substantial Anglo-French withdrawals have by then taken place and if UK and France have been reassured that USA are prepared to act firmly to secure a Middle Eastern settlement on both Suez and Palestine issues, then NATO Ministerial Council might provide a timely opportunity to repair alliance as quickly and as thoroughly as possible.

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176. DEA/50134-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 2157 Washington, November 27, 1956

CONFIDENTIAL. IMMEDIATE.

Repeat for information Permis New York (Personal for MacKay); London (Personal for Robertson).

MIDDLE EAST; SOME USA VIEWS

Following personal for the Minister and Under-Secretary. This afternoon I encountered Phleger and travelled with him from New York to Washington. He had spent the morning with Hammarskjöld and we took the opportunity for a personal and very private chat on a number of features of the developing situation.

2. I opened by saying that you had been disappointed in the USA vote on Saturday, November 24, in favour of the further resolution for withdrawal of the forces; Lodge's statement seemed logically to imply abstention. Phleger agreed. The fact was that Washington had been in favour of abstention and had given instructions with regard to the statement. But the delegation in New York were committed to voting in favour (presumably in deals on adjustment in language).

3. Next, I went on to express Canada's anxieties lest the USA be weakening in its adjustment to the Western Alliance. Regardless of what had transpired it was surely of first importance for all of us to work together now to restore the position. Phleger agreed heartily. There was no division in the administration on this score and no bitterness against the British and French remained. The best evidence of the importance which they attached to the Alliance was the fact that Dulles himself (who will return to the State Department next week) will be going to the North Atlantic Council in December. Phleger was obviously

aware of the coolness between Lloyd and Lodge over recent days, for he offered excuses for the latter.

4. With regard to Suez, Phleger drew my attention to the terms of Hammarskjöld's letter to Fawzi, dated, I think, October 23 and annexed (with Fawzi's reply as annexes 1 and 2 to UN document S/3728 November 3). Hammarskjöld thought that there was a good prospect of working out a Suez settlement along the lines of this letter which, on examination, Phleger said contained almost all the elements that would be required for a stable solution.

5. In the same connection Phleger went on, withdrawal of Anglo-French forces should and could in fact be "phased" with the introduction of the UNEF by proper management, even though it was impossible, politically to have the former operation made conditional upon the latter. Hammarskjöld, he said, proposed to proceed in this way. He remained anxious about the possibility of incidents in Port Said, of which the UNEF might be the victims.

6. Incidentally, in conversation with Phleger on the composition and effectiveness of the UNEF (Phleger had been urging the disproportionate percentage of Indian and Yugoslav personnel) Hammarskjöld had given Phleger the impression that we had "grown cool" over the employment of our infantry battalion. I assured Phleger that this was not so at all and that we were expecting the Queen's Own to be called for in due course.

7. One final point, when I urged the importance of getting on with steps towards political settlements, Phleger said that the USA still felt that no time should be lost unnecessarily. However, until some acceptable schedule for withdrawal of Anglo-French forces had been agreed, they felt that no progress could be made.

8. Because of the private character of this conversation I have marked this telegram for you and Léger, MacKay and Robertson *personally*. I trust the source will be protected.

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177. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], November 28, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage).

The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

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UNITED NATIONS EMERGENCY FORCE
(PREVIOUS REFERENCE NOV. 20)

45. *The Minister of National Defence* reported that the United Nations Emergency Force commander had suggested that Canada now supply a signal unit similar to that recommended by the Canadian military authorities for the whole signal requirements for U.N.E.F. This would mean sending over an additional three officers and 128 other ranks. The organization had been set up on the use of English as the only common language for command and intercommunication purposes, and Canada appeared to be the only country which could supply the signals personnel. This would mean taking charge of the whole system and use of larger planes or ships for transporting the bulky pieces of needed equipment.

It would be possible to send over H.M.C.S. *Magnificent* with the equipment and signals personnel and perhaps with the addition of part of the Queen's Own Rifles battalion. However, it seemed that there might be repeated requests for specialized services which would throw the composition of the Canadian contingent out of line. Careful consideration should be taken before meeting this new request.

46. *The Secretary of State for External Affairs* said that, in connection with the composition of the Canadian contingent, there appeared to be a misconception that it was necessary to get the approval of Egypt each time. He had told the Secretary General that, in his opinion, any such requests would not have to be cleared with anybody. If Canada agreed, that was sufficient, and no Egyptian political clearance was needed. Mr. Hammarskjöld had agreed in principle. This fact was very important.

The Secretary General had a most difficult job. He had to get the maximum co-operation from Egypt whatever he thought of the Nasser contention that United Nations forces would be withdrawn whenever Egypt said so. The U.N.E.F. must be well-balanced, and care taken to do nothing which would let the Russian type communists in. This meant that several offers had been pigeonholed and, for instance, that action had been suspended on the offer of a Pakistan brigade. However, the position could be taken that Egypt had nothing to do with other troops to be sent in once she had agreed to the first landing of the force. There were now about 4,000 to 5,000 U.N. troops in Egypt with an expected total of about 10,000. The Minister suggested that nothing be done about the request for a few days until some proposals for the use of the Queen's Own Rifles had been explored with Mr. Hammarskjöld. It was possible that part of the United Nations force would have to be used on the Israeli-Syrian borders, which really posed the most serious problem now.

47. *Mr. Pearson* further commented on the very delicate situation in Egypt. The Yugoslavs were not Russian-communists and their army was intensely jealous of any influence from Moscow. Accepting an offer of 700 Yugoslav soldiers made it easier to keep out Czech and Roumanian contingents.

The important thing was to get a U.N. battalion into Port Said immediately. The British now wanted to get out, but must have a respectable reason and be assured that there would be enough U.N. forces to keep order. The operation was now over and the main object was to open up the canal. There could be no co-operation from Egypt as long as there were U.K. and French troops in Port Said. The U.S. also indicated it would be very difficult to give assistance unless this were done. If the troops got out use might be made of British naval units in clearing the canal.

There did not seem too great danger to U.N. forces as Israel and Egypt would be very careful to take no action against them. The great danger lay in the morale of the U.N. forces themselves. It was possible that these forces might disintegrate because they did not know what they were to do and also because of restiveness through lack of recreational facilities.

Communication with the U.N. forces was not too difficult. Telephone conversations were possible from New York with General Burns and his staff. Canada had a military representative now in New York.

48. *Mr. Campney* added that it appeared that the communication proposal went beyond the normal functions of Army signallers and would mean setting up a large communication system for the whole area.

In regard to the charge that the Queen's Own Rifles were not up to strength when they were earmarked for this U.N.E.F. duty, he explained that there was a list of categories of persons that were not taken overseas, such as married men under 21, hospital cases, and so on. There were 127 such persons in the first battalion and some 200 of the second had been added to the first, which was now over peacetime strength. There were now about 400 second battalion and 127 first battalion left at Calgary.

49. *The Cabinet* noted the report of the Minister of National Defence and the Secretary of State for External Affairs on the build-up of the U.N. Emergency Force and deferred decision on the possibility of Canada sending further signals units at this time.

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178. DEA/4380-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 2161 Washington, November 28, 1956

SECRET. MOST IMMEDIATE.
Reference: My tel 2157 Nov 27.
Repeat for information London, Candel New York (Immediate).

THE ACTING SECRETARY OF STATE ON THE CRISIS IN ANGLO-AMERICAN RELATIONS

Hoover asked me to see him at six o'clock last evening. His purpose was to follow up my conversation with Phleger earlier in the afternoon (my telegram under reference), particularly on the immediate means of healing the breach between the USA and British positions over the Middle East crisis. He said he would welcome any thoughts that I might have, recognizing that our conversation was on a wholly personal basis. I took the opportunity at once of telling Hoover of your own grave concern at the growing divergence between the USA and the UK. The USA vote in the UN on Saturday last (and their failure to support the Belgian amendment) had come to you and to us all as a severe shock; the vote had not flowed logically from the argument in Lodge's statement (the private explanation is given in my telegram under reference). I referred again to your impression of the personal coolness which had developed between Lodge and Lloyd in New York. This was a thoroughly unsatisfactory state of affairs. It was your hope and belief that the USA should now concentrate on enabling the UK "to work their passage" back; every constructive means to this end should be vigorously explored.

2. It seemed to us, I went on, that the time for recriminations was past and that we should concentrate on the earliest possible realignment of the Western Alliance of which the Anglo-American partnership was the essence. The British should be extracted from their present exposed position as quickly as possible. This was the reason why we thought it necessary to get on with the Suez settlement and the broader political solution in the Middle East. If we were unable to reverse the present divergence, only the Russians and their friends would benefit. I referred to the present debate in parliament over Canadian participation in the UNEF. The crisis in Anglo-American relations was being reflected in these discussions. Our interest, however, arose not merely from national considerations but because of the vital importance we attached to close Anglo-American relations.

3. Hoover began by commenting on the relations in New York between Lodge and Lloyd. He realized that Lloyd had been in an extremely difficult position, in view of the political situation in London and the virtual isolation of the UK delegation in the Assembly. Nevertheless the USA had reason to believe that Lloyd had allowed himself in briefings of the UK correspondents some sharp personal criticism of Lodge. This had been reflected in a mounting volume of anti-American press publicity in the UK. Hoover himself had deliberately refrained from any contact at all with the correspondents over the past ten days, probably at the risk of their own public relations. The USA objective had been to "keep their tempers" and not to indulge in public recrimination. Hoover added that the President, himself, had been deeply upset; few things had hit him quite so hard as this public deterioration in relations between Britain and the USA.

4. Hoover then indicated that, in the USA Government's view, the first step toward closing the gap was to complete satisfactory arrangements for the withdrawal of UK, French and Israeli forces. Before anything constructive could be done by the USA, some public indication must be given by the UK that their forces would leave Egypt in accordance with UN resolutions. Such a statement could not be made conditional on any unilateral determination by the UK of the adequacy or effectiveness of the UNEF. The capacity of the UNEF to do the job was certainly very important but this could only be determined by the Secretary General, who was responsible for the implementation of the Assembly resolutions. It was Hoover's understanding that Hammarskjöld (who had the full confidence of the USA) considered that the UNEF now had sufficient forces in sight to accomplish its tasks. While Selwyn Lloyd had given Hammarskjöld his personal assurance concerning the withdrawal of British forces, the UK affirmation of compliance would have to be made public if it were to gain its maximum effect and permit the USA to go forward with constructive measures. At the moment Nasser had the initiative. But once UK compliance with the UN decisions was made known publicly and a time-table for withdrawal announced, it would be possible to bring pressure on the Egyptians and move forward. Hoover recalled how close agreement on a Suez settlement had been just before the outbreak of hostilities. (In this connection he referred, as Phleger had done, to the Hammarskjöld-Fawzi correspondence). He added that, at that time, Pineau had not given his agreement; whether this implied that Pineau knew of plans for military operations was an open guess. One difficulty which had arisen in these negotiations was that the Egyptians had refused to accept provisions involving sanctions, an attitude with which the USA was inclined to sympathize. These earlier negotiations in the UN gave grounds, the USA felt, for hoping that, once the UK default under the UN resolutions had been cured, it would be possible to move rapidly toward an acceptable Suez settlement and to apply the necessary pressure to Nasser (an individual for whom, Hoover added, the USA had no more regard than had the UK).

5. Hoover went on to say that, in addition to such a result in Egypt, rectification of the British position before the UN, would help materially in dealing with Soviet propaganda which had been using the Anglo-French intervention in the Middle East to cover up its own sins in Hungary. It would also help to bridge the widening gap between the Western world and the free nations of Asia.

6. As a means of leading up to such a public statement on the part of the UK, Hoover thought that it might be possible for Hammarskjöld to make an early announcement that the UNEF was on the ground and in an effective state to carry on its priority duties. A statement of this kind could then be picked up by the UK Government as a basis for a declaration not necessarily of immediate withdrawal, but of a phased schedule for getting out which would nonetheless be a clear and unqualified expression of willingness to comply with Assembly's resolutions.

7. Hoover spent little time on the French position. He thought they would follow the UK lead and indeed it was the State Department's understanding from the French themselves that they were prepared now to make such a statement concerning complete withdrawal.

8. In answer to my enquiry, Hoover said that the USA views on the lines of the foregoing had been transmitted to the UK Government through the USA Embassy in London. He added that Sir Harold Caccia was also fully informed.

9. Hoover then informed me of an additional and compelling argument for urging the UK Government to proceed on these lines as promptly as possible with the request that it should be for you alone. I am dealing with this in my immediately following telegram marked personal for you.

10. When you have (an opportunity?) of considering this message and my immediately following telegram, I should like to know as soon as possible whether there is any supplementary action which you wish me to take at this end.

[A.D.P.] HEENEY

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179. DEA/50134-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 2162 Washington, November 28, 1956

TOP SECRET. MOST IMMEDIATE. FOR THE MINISTER ONLY.
Reference: My tel 2161 Nov 28.

THE ACTING SECRETARY OF STATE ON THE CRISIS IN ANGLO-AMERICAN RELATIONS

The additional and compelling argument to which Hoover referred arises from what Hoover referred to as the critical financial situation in which the UK would find itself in the next few days. Next Monday, December 3, the UK Government would have to bring out its quarterly statement on the position of its reserves. This would reveal a very bad picture indeed and a financial position of a critical character unless, what Hoover described as "heroic measures" were taken in the meantime. The USA was willing and anxious to help. But the authorities here would not be in a position to provide the UK with the necessary backing so long as their basic positions in the UN on withdrawal were not reconciled. The UK financial difficulties went far beyond the immediate and prospective oil deficit problem. They involved a serious weakening of confidence in world financial markets. This could have the consequence of creating a run on sterling with the most serious economic and financial consequences not only for the UK but for many other countries as well. Hoover would not take the opportunities I gave him to be specific on the methods by which the USA would be prepared to assist the UK in this regard. But he did say that American "backing" would be immediately forthcoming and effective, providing the UK Government were willing to take action along the lines indicated in my immediately preceding telegram.

2. Hoover made it clear that, in the USA view, the financial crisis he foresaw was far more serious than the problem of the oil deficit. On this last point he said the necessary emergency machinery was at hand for immediate use, and that the USA was ready and willing to use it promptly, once the major political hurdle could be cleared.

[A.D.P.] HEENEY

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180. DEA/50134-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1695 London, November 29, 1956

SECRET & PERSONAL. IMMEDIATE.

Following for the Minister from Robertson. This country is moving into a very acute political crisis. The Cabinet are, I am told, all agreed on the inevitability of the early evacuation of Port Said. They feel they can make a case in Parliament in this country for holding on there up to now, but they recognize that there is no political or diplomatic advantage to be gained from trying to hold on longer. But they are at the moment completely immobilized by the revolt in the Conservative Party. They have postponed the day of reckoning until Wednesday of next week when the opposition opens a two-day debate on Foreign Affairs. In the meantime they hope to persuade the French tomorrow to agree to the announcement on Monday of an early date for withdrawal, and they hope over the week-end to persuade the Tory back benchers to support the Government policy, from which no member of the Cabinet now dissents.

2. When I went to see Kirkpatrick this evening to see if in his judgment there was any helpful action we could help to promote in New York or Washington, he described the present position in pretty much the words of the preceding para. The immediate crisis is a domestic political one, i.e. it is still inside the conservative party, with ministers desperately trying to recreate a parliamentary majority for a policy they recognize as inevitable. If they fail there will be a dissolution and a quick general election, but even with that there is a month in which, for practical purposes, this country will be without an effective Government.

3. Kirkpatrick said that as far as Conservative Members of Parliament were concerned, the last straw had been the American vote on Spaak's amendment to the Afro-Asian resolution. He claimed that this vote had not only profoundly shocked English opinion, but had deeply incensed public opinion all through Western Europe. He foresaw flowing from it all sorts of consequences including the ultimate end of NATO.

4. He told me that the Acting Secretary of State in Washington called the US Ambassador yesterday to protest against the terms of the Conservative back benchers' resolution deploring American policy which people in Washington construed as a direct attack on the President and suspected had been organized with the blessing or connivance of ministers here. Kirkpatrick said he thought he had succeeded in disabusing Aldrich's mind of this idea.

5. Kirkpatrick said as I left that if you were talking to Hammarskjöld, or if Arnold Heeney were talking to the State Department, it might be helpful if you could make the point that Selwyn Lloyd and all the Cabinet accept the inevitability of quick withdrawal, and are now doing their best to carry out this policy and still maintain a Government.

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181. DEA/50134-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 2173 Washington, November 29, 1956

SECRET. IMMEDIATE.
Reference: My Most Immediate Tel 2161 Nov 28.
Repeat for information London, Candel New York (Immediate).

MIDDLE EAST; SUEZ

Elbrick has just told me that, yesterday, agreement was reached (with the Secretary General and the Egyptian Foreign Minister in consultation with the USA and UK delegations) to a "four act play" devised as a curtain raiser to the resumption of political consultations on the Suez Canal under UN auspices.

2. The four "acts" were to be as follows:

Act 1. The Secretary General's announcement concerning the UNEF (this, as you know, was made yesterday, November 28, and mentioned 6,000 men within two weeks).[158]

Act 2. The statement by the UK Foreign Secretary in the House of Commons today,[159] November 29, indicating that the UK Government were satisfied with the competence and projected strength of the UNEF; accordingly, the UK would arrange withdrawal of British forces. No specific date was to be mentioned but Lloyd was to hint at the early resumption of settlement talks under the Secretary General, at the point at which they had been suspended before hostilities.

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[158] Voir/See *New York Times*, November 29, 1956.

[159] Voir/See United Kingdom, House of Commons, *Parliamentary Debates*, 1956-57, Fifth Series, Volume 561, columns 579-581.

Act 3. After one or two days Cairo was to announce that the Egyptian Government had taken note of the UK's intentions and stood ready to cooperate in arrangements for clearing the Canal.

Act 4. The stage being then set the Secretary General would report on arrangements for Canal clearance to begin by December 15.

3. Hammarskjöld sent word to the State Department that on the above basis he would expect to resume the Suez talks about the end of December. In so doing he would not try to pin the parties down to the six principles he had stipulated at an earlier stage.

4. As we were talking the first ticker reports of the UK Foreign Secretary's speech today were coming in. Lloyd was reported to have said that he was not yet in a position to make more than "an interim statement" until he had consulted Pineau; he would make a further statement on Monday. The USA are mystified and somewhat disturbed by this which, on the face of it, appears to throw the four act play off schedule. And this could be serious in the light of what was reported in my personal telegram to you 2162 of yesterday, November 28.

[A.D.P.] HEENEY

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182. PCO/I-60-2 (a)

Lord Privy Seal du Royaume Uni
au premier ministre

Lord Privy Seal of United Kingdom
to Prime Minister

TOP SECRET [London], November 30, 1956

Selwyn Lloyd has been in close contact with Mr. Pearson in New York, and I am sure that as a result you know our thinking about Suez up to the time the Foreign Secretary left. I should like to let you know what our thought in London is now that we have been able to discuss the matter with Selwyn Lloyd and have been able to give consideration to the possible lines we might take, in particular with regard to the withdrawal of Anglo-French troops from Egypt.

2. The operation has been very burdensome to us, but more and more of our people have understood the need for the action and will give us solid support if results can be shown.

3. So far we can claim,

(a) a war was stopped,

(b) a Russian-Egyptian plot to dominate the area was exposed and disclosed and we hope killed,

(c) the United States (if belatedly) has declared support for the Baghdad Pact powers,

(d) largely as a result of the valuable Canadian initiative, an effective United Nations force is being introduced into the area.

So far so good.

4. There follow certain questions which cannot yet be put so confidently into this first category of successes. Therefore we are trying to get more clarification from Hammarskjöld and United States of America on two in particular.

(a) We are seeking clarification that clearance of the Canal will be begun as soon as it is technically possible. Nasser as you know, has always said that it could not begin until the last British troops were out. We are discussing ways and means of trying to get over this deadlock. The linking of the clearance to the date when it is technically possible to start clearing seems to be one way. We will keep you in touch as our thinking on this develops.

(b) Then we attach great importance to the agreement about the Canal's future control. It seems as though the Egyptians will be willing to resume negotiation on the "six principle" basis which was agreed to unanimously by the Security Council. It is possible though, that Nasser might feel at liberty to discriminate against our ships and French ships on the ground that we and Egypt are at war. That would mean he would treat us as he treated the Israelis. We don't think this likely but we are trying to get this cleared up in New York to our satisfaction — again, we will let you know how things go.

5. We meet the French this afternoon and I will send you another message as soon as I can. Meanwhile, any comments or advice will be most welcome.

6. I am sending similar messages to other Commonwealth Prime Ministers.

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183. DEA/50366-40

La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Delegation to United Nations General Assembly
to Secretary of State for External Affairs

TELEGRAM POLEG-1505 New York, November 30, 1956

SECRET. MOST IMMEDIATE.
Repeat for information London, Washington, Paris and NATO Paris.

UNEF

Following the Minister's telephone conversation this morning (November 30) Holmes and Murray saw Cordier. They made the following points:

(a) The fact that no part of the Canadian infantry battalion had yet been integrated into UNEF, notwithstanding announcements about its rapid buildup, had created a clear impression in Canada that UNEF had become the tool of Nasser. This impression was strengthened by statements made in the General Assembly by Fawzi and Menon. As a result, there was widespread criticism in Canada about the Government's action in assembling the infantry battalion at Halifax for immediate despatch on HMCS *Magnificent.*

(b) The fact that no part of the infantry battalion had yet been activated made it extremely difficult for the Government to give favourable consideration to further requests from the UN for Canadian contributions to UNEF. The example was cited of the additional signals element which the Canadian officials concerned recognized was urgently required by Burns. If nothing could be done to activate any part of the infantry battalion, even one company, it was difficult to see how those additional requests for assistance could be met.

(c) The continued inactivity of the infantry battalion and the *Magnificent* at Halifax had become a source of grave embarrassment to the Government and unless there should be some indication by December 3 that the infantry battalion, or a part of it, would be called upon to participate in UNEF, the Government would be obliged to return the infantry battalion to its quarters in Western Canada and to off load the equipment for the battalion group from the *Magnificent.* If this step had to be taken, it would have a most detrimental effect on Canadian participation in UNEF.

2. In these circumstances (we informed Cordier) it was urgently desirable for the Secretary General to consider whether some step could be taken very soon to activate the Canadian infantry battalion. The Canadian Government realized the delicacy of the current situation but could not continue to acquiesce in the development of the impression that UNEF was operating at the bid and call of Nasser. Mr. Pearson had made the Canadian position in this regard very clear both in the Advisory Committee and in the General Assembly. The Canadian Government was not prepared to withdraw from that position. We realized that the Secretary General was aware of this Canadian attitude but we urged that he should consider ways and means of making clear to the Egyptian Government and to the General Assembly that UNEF could not operate subject to the veto of any single power. UNEF derived its authority from the General Assembly whose resolution on UNEF has received almost unanimous support.

3. Cordier showed that he was completely aware of the Canadian position and of the difficulties which the non-participation of the Canadian infantry battalion had created for the Government of Canada. He said that the Secretary General was conscious of the need to uphold the principle which Mr. Pearson had advocated as to the composition and functions of UNEF. The Secretary General had been unable to devise a formula for overcoming the difficulties of the situation.

4. Cordier referred to the possibility that elements of UNEF might be employed at once in the Gaza Strip. He clearly had in mind that this would be a probable area in which the Canadian infantry battalion could be deployed. Preliminary explorations had revealed, however, that Israel would be "adamano" about the deployment of UNEF in the Gaza Strip. The Israelis were digging in there very rapidly. They had established a civilian administration; they were telling the inhabitants that at long last economic justice was at hand; they were encouraging them to believe that the Gaza Strip henceforth would be part of Israel. (In our view this seemed to be all the more reason for deploying UNEF in the Gaza Strip at the earliest possible date.) We enquired whether it would not be desirable from the point of view of the UN and Israel that UNEF should be deployed in the Gaza Strip to stabilize the situation there. We asked whether there might be any advantage in our talking to the Israelis about this possibility. Cordier's reply was largely negative; he said that the problems of Gaza and Sinai would have to be tackled after the current problems of deploying UNEF in the Canal Zone had been resolved.

5. Cordier said he would discuss the points raised by us with the Secretary General "during the day" and would let us know the outcome. He seemed keenly aware of the urgency of the matter and anxious though not hopeful that a formula for activating the Canadian infantry battalion should be found soon. We shall of course report at once any further conversations on this subject.

6. As you know, the situation is at the moment in the most delicate phase. If we can get through the next few days without any serious disturbance, we may arrive at a position when the whole atmosphere could change rapidly for the better and make possible an easier solution for Canadian difficulties. You are aware of the care and effort on the part of many parties which have gone into the endeavour to prevent eruptions here. While we realize the strength of Canadian feeling, we earnestly hope that you would be able to hold the line for a few days more. There is little doubt in our minds here that any public indication of Canadian dissatisfaction at this point would have a most precarious effect on current negotiations.

184. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM MM-102 Ottawa, December 1, 1956

IMMEDIATE

Reference: Your tels 1695 Nov 29, and 1706 Dec 1.[160]

Repeat for information Washington (Personal for Ambassador), Candel New York (Personal for Dr. MacKay).

For Robertson from Minister. Your telegrams are most interesting and not encouraging in their reference to the U.S. double standard of diplomatic conduct which, if Hoover['s] recent statement is to be taken seriously, is developing. Such a double standard is inadmiss[ible] not only to the United Kingdom but to Canada and, [I] assume, to other friends of the United States, and this should be made perfectly clear. Perhaps [the] forthcoming NATO Council meeting would be [the] place to do this. Meanwhile, I assume y[ou have had] an opportunity to read my speech to t[he General] Assembly a couple of weeks ago in whi[ch I refer] to this difficulty.[161]

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185. DEA/50134-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 2207 Washington, December 3, 1956

SECRET AND PERSONAL. IMPORTANT.

Reference: Your MM 101 Dec 1.†

Repeat for information London (for Robertson) Important; Candel New York (for MacKay) Important.

MIDDLE AND FAR EAST; A DOUBLE STANDARD FOR DIPLOMATIC CONDUCT?

While I agree entirely that the application by the USA of a double standard in the Middle and the Far East would provide further serious disturbance to the Western Alliance, it may be that Caccia has taken too much from Hoover's answer that the USA determination to act only through the UN is applicable to "a particular area" (Robertson's telegram 1706 December 1).

2. On the other hand I have little doubt that in due course there will be further difficulty between the allies over Formosa and the offshore islands and that there will be many in this country (and doubtless in the administration itself) who will be unwilling to see the

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[160] Non retrouvée./Not located.

[161] Ce télégramme a été reconstitué à partir d'un original très endommagé.
This telegram was reconstructed from a badly damaged original.

applicability of the present USA policy with regard to the Middle East. In would, however, in my judgment be a serious mistake to introduce this topic at this time when we are all doing everything we can to restore the cohesion of NATO.

3. The time will almost certainly come when we shall have to do so and it should be helpful then to refer to the determinedly UN stand of the President and the USA administration. But for the moment my, perhaps craven, advice is to regard this difference in your words "as trouble ahead".

[A.D.P.] HEENEY

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186. DEA/12479-E-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to United Nations

TELEGRAM LL-17 Ottawa, December 5, 1956

CONFIDENTIAL. IMMEDIATE.
Reference: Your telegram POLEG-1536 of December 3/56.†

UNEF — STATUS OF UNEF IN MIDDLE EAST

It is clear from your telegram under reference that the United Nations officials do not repeat not feel as strongly as we (and perhaps some of the other countries concerned) do on the question of full immunity from local jurisdiction for the UNEF. We are glad to note however that the initial United Nations position is that members of UNEF should be fully immune from the jurisdiction of Egyptian courts and we trust that you will use your utmost endeavours to see that this position will be maintained. The United Nations officials will no doubt realize that the question of immunity from local jurisdiction is one on which there is likely to be considerable public interest in contributing States and could pose a domestic political problem for governments concerned. For your own information the Opposition has already expressed the view in Parliament that Canadian forces should not be exposed to the jurisdiction of Egyptian courts and it is possible that there will be considerable public support for this view.

2. Since there have apparently already been some informal discussions with the Egyptians on the question of immunity you should bring the following comments in whole or in part informally to the attention of the United Nations negotiating officials in an attempt to influence them at this stage rather than wait until the matter is referred to the Advisory Committee by which time United Nations opinion may have hardened as a result of their talks with the Egyptians:

(a) While it is probably true that the bulk of practice, as reflected in intergovernmental agreements, is in favour of only granting immunity from local jurisdiction to friendly visiting forces in respect of on-duty offences it seems to us that the role of the UNEF places them in a different category from other visiting forces and hence the provisions of existing Status of Forces Agreements (e.g. NATO) do not repeat not provide a satisfactory precedent. While UNEF may be in Egypt at the invitation of the Egyptian Government, the fact remains that they are a police force and their task is to maintain the peace between two sides. It may be questioned whether this task can be impartially performed if the members of UNEF are in any way subject to the jurisdiction of the courts of either of the parties to the dispute.

(b) During the Korean operation United Nations forces were not repeat not subject to the jurisdiction of the Korean courts. It is true that Korea was a large fighting operation but we think that the precedent there is not repeat not irrelevant to the Middle East operation. While the UNEF does not repeat not expect to engage in hostilities presumably they must be prepared to do so if attacked from any quarter or possibly if the belligerents were to resume fighting. To this extent therefore, that is to say to the extent that UNEF are on active service in a theatre of operations rather than merely stationed in a rear area, the Korean precedent has some application.

(c) The Egyptians may point to the NATO Status of Forces Agreement, the Agreement on the Status of United Nations Forces in Japan, the United Kingdom-Egyptian Status of Forces Agreement of 1936 and the war-time United States-Egyptian Status Agreement of 1943 as precedents for the view that members of visiting forces should not repeat not be immune from local jurisdiction in respect of off-duty offences. Against these agreements we could cite the Canada-United States and United Kingdom-United States agreements of the last war which gave the United States exclusive jurisdiction over United States visiting forces. Moreover we believe that there are still in existence to-day exclusive jurisdiction agreements between the United States and certain non-NATO countries in which United States forces are stationed. For example, (although we have no definite information) we imagine that United States and British air forces in Libya and the United States forces in Morocco are not repeat not subject to the local jurisdiction. But our main argument against the precedent of previous agreements is that outlined in (a) above. Another point (which we do not repeat not suggest should be communicated to the Egyptians, but which might be mentioned informally to the United Nations officials), is that during the operation of the above-mentioned United Kingdom and United States status agreements with Egypt, justice was administered by mixed courts which we understand is not repeat not the case today.

(d) We note in paragraph 2 of your POLEG-1534† that Malania said that the arrangements for UNTSO observers, i.e. bringing them under Article VI of the convention on the privileges and immunities of the United Nations, could hardly be made applicable to UNEF personnel. Malania's remark seems to be at variance with paragraph 21 (a) of the (second) draft of regulations for UNEF which provides that officers at United Nations Command Headquarters will enjoy immunities of Article VI of that convention. This would seem to indicate according to Malania's interpretation of Article VI that the officers at United Nations Command HQ would enjoy full immunity from local courts unless waived by the Secretary General whereas rest of UNEF would not repeat not.

(e) Finally it seems to us that the United Nations may wish to bear in mind the precedent which would be set for future United Nations military operations if they agree with respect to Egypt that members of the UNEF shall be subject to the jurisdiction of the courts of the host country.

3. Our purpose in sending you the above views at this time is to provide you with material in support of the Canadian view for future discussion with officials of the United Nations and other interested delegations.[162]

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187. DEA/50366-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET Ottawa, December 5, 1956

UNEF: DR. MACKAY'S VIEWS ON POLEG 1562

My memorandum of December 4,† attaching a draft of a suggested telegram to Washington, has been overtaken by the attached telegram (POLEG 1562) from the Permanent Delegation and a conversation with Dr. MacKay.

2. Dr. MacKay feels that there is now no doubt in his mind that the Canadian battalion will be asked to join UNEF; the question is that of timing. Two main considerations in his judgment are affecting the timing:

(a) the effort of the Secretary-General to provide as balanced a force as possible in terms of regional contributions (he wishes to accept contributions from Brazil and Pakistan), and

(b) the problem of building up the logistical supply for an integrated force.

3. He does not believe that political objections on the part of Egypt are now blocking the constitution and deployment of the force. He would therefore doubt the advisability of asking the U.S. to put pressure on the Egyptians as the Secretary-General is trying to keep the Egyptians out of the picture at the moment. He also believes that the Secretary-General is doing all that is possible to speed up a decision on the Canadian battalion.

4. Dr. MacKay said that he hoped to be in a position to phone you or me around noon today with further information about paragraph 4 of the attached message.

G[EORGE] I[GNATIEFF]
for Under-Secretary of State
for External Affairs

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[162] Le texte final du Statut de la Force d'urgence des Nations Unies de l'Accord des forces a rejoint le point de vue du Canada. Selon l'accord entre les Nations Unies et l'Égypte, les membres de la FUNU demeuraient sous la compétence de leurs États respectifs en ce qui concernait les affaires criminelles, et l'on a établi un mécanisme de recours distinct pour le règlement des poursuites civiles. Voir Canada, *Recueil des traités*, 1957, N° 28.
The final version of the UNEF Status of Forces Agreement met the Canadian point. Under the agreement between the UN and Egypt, members of the UNEF remained subject to the exclusive jurisdiction of their national states in criminal matters, while a separate claims procedure was established to settle civil suits. See Canada, *Treaty Series*, 1957, No. 28.

[PIÈCE JOINTE/ENCLOSURE]

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM POLEG-1562 New York, December 4, 1956

SECRET. IMMEDIATE.
Reference: Our tel 1535 Dec 3.
Repeat for information London, Washington, Paris, NATO Paris.

UNEF

After the meeting of the Advisory Committee this morning (December 4) I asked the Secretary General whether he was in a position to say anything more about the integration of the Canadian infantry battalion in UNEF. I pointed out that the Canadian Government was anxiously awaiting an indication of when the actual integration was likely to take place. I referred to earlier conversations which we had with Cordier and emphasized, from the Canadian point of view, the need for an early decision.

2. The Secretary General said that he was conscious of the difficulties which were facing the Canadian Government. He believed that developments in the Middle East situation during the last few days have brought us much closer to the time when some positive step could be taken to integrate the Canadian infantry in UNEF. He referred to the indications from Israel that its forces would be withdrawn from Sinai and said, as he had done in the Advisory Committee, that it would shortly be possible to expand and deploy UNEF. He spoke of his desire to maintain a numerical balance, as between national contingents, in the composition of UNEF but said that this would not cause any particular difficulty as regards the integration of the Canadian infantry battalion. I gathered that he intended in the immediate future to expand the contribution from the four geographical areas now represented on the force: Asia, Latin America, Scandinavia and North America.

3. The Secretary General said that he wished to integrate the Canadian infantry battalion as soon as possible. He also wished to accept contributions from Brazil and Pakistan. To some extent this depended on discussions he was about to have with Israel. He explained that he had been unable to enter into these discussions before now because of the complexity of the negotiations concerning the withdrawals from Egypt and the clearance of the Suez Canal. He suggested that it would be unrealistic to say that within the next two days he could give us a definite answer about when the Canadian infantry would be integrated but that about the weekend he should be able to give us an indication (throughout he was speaking of the battalion as a whole). I was not happy about these non-committal utterances by the Secretary General. I reiterated the urgency with which the Canadian Government viewed the need for a clear indication of when the Canadian infantry would be called forward. To some extent I believe the vagueness in the Secretary General's replies can be attributed to his customary caution in matters of this kind. I am satisfied that he is well aware of our particular problem and from what he said I judge that the delay in calling forward the Canadian infantry is now perhaps more a technical problem of deploying the force rather than a political problem involving Egypt.

4. Shortly after my discussion with the Secretary General I spoke to Cordier. I explained that we were somewhat disturbed by the continuing lack of any indication of when the

Canadian battalion would join UNEF. Cordier, whose approach is considerably more direct that the Secretary General's, said he saw no reason why at least one company of the QOR could not be integrated in the force almost at once. He explained that on December 5 the Secretary General would discuss with his officials the current problems of the force and particularly that of deploying and expanding it. Cordier assured me that he would press the view that some element of the Canadian infantry should be called forward at once and that the departure of the balance of the battalion in the *Magnificent* should follow very soon. We have been sufficiently encouraged by what Cordier said to recommend that if at all possible any decision concerning the removal of the QOR from Halifax or on unloading of the *Magnificent* should be delayed at least until Cordier has had an opportunity to report to us on tomorrow's meeting of Secretariat officials.

[R.A.] MACKAY

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188. DEA/50366-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET Ottawa, December 5, 1956

UNEF: DR. MACKAY'S COMMENT ON MOST IMMEDIATE TELEGRAM NO. 259 FROM CAIRO

Dr. MacKay phoned Ignatieff at 1:00 p.m. to say that he wanted you to have certain preliminary comments on General Burns' latest proposals concerning the Canadian contribution to UNEF.

2. Dr. MacKay said that General Burns' latest suggestion seemed to make sense, i.e. that, instead of the QOR's Canada would supply an armoured reconnaissance unit or squadron of company size of about 200 men, in addition to the contributions previously requested but not yet met of: a signal unit of 180 men, a communications and observation air squadron of about 300 men, a workshop of about 150 men and two more transport platoons of about 100 men (totalling about 1000 men or the equivalent of a battalion).

3. He discussed Burns' proposal in a preliminary way with Bunche and Cordier as well as with the Canadian military advisers. Their reactions were likewise favourable on the grounds that they emanated from the U.N. Commander himself and reflected his own view of military requirements. In particular, there had already been evidence that General Burns was having difficulty in digesting additional infantry units.

4. Dr. MacKay stressed, however, that the Secretary-General had not yet been informed of General Burns' latest proposal. Cordier hoped to speak to him at lunch-time and Dr. MacKay hoped to be able to report further around 2:30 this afternoon. He would be phoning Ignatieff and a message will be sent to you as soon as it is received.

5. In the meantime, Dr. MacKay added the comment that in view of the current debate at Westminster on the Middle East situation, he would like to submit his strong plea that no announcement be made until there is further consultation with the U.N. that there has been a change of plan on the Canadian contribution affecting the QOR's and the *Magnificent*.

He also wanted to stress again that the difficulties in his judgment were practical ones and not political objections on the part of the Egyptians.

G[EORGE] I[GNATIEFF]
for Under-Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

L'ambassadeur en Égypte
au secrétaire d'État aux Affaires extérieures

Ambassador in Egypt
to Secretary of State for External Affairs

TELEGRAM 259 Cairo, December 4, 1956

SECRET. MOST IMMEDIATE.

UNEF

General Burns has just seen me to say he is sending a message tonight to Secretary General making the following proposals relating to Canadian contribution to UNEF. The following is not a transcript of his message but a summary of his suggestions. He is not advancing these views as a firm recommendation at present but rather as an idea for consideration. He hopes that after further study and if the idea is acceptable final recommendations could be made within a day or so. I am therefore forwarding these ideas of his to you for your consideration.

2. It is understood that the Canadian Government is pressing for the despatch of the Queen's Own Rifles to UNEF and of course General Burns would welcome a Canadian battalion in this force. But it is now his view that some other type of contribution from Canada (groups corrupt) in both a better organized and more effective force.

3. Inquiries have already been made as to whether Canada would supply the following: A signal unit of about 180 men; a communications and observation air squadron of about 300 men, this to come after the air lift is completed and transport squadron released. A workshop of about 150 men is needed and there have been yet no offers from other countries; two more transport platoons are required of about 100 men.

4. General Burns would find it desirable if he could have as a combined unit an additional armoured reconnaissance unit or squadron of company size of about 200 men. The total number of troops listed above would approximate a battalion and if they could be sent out by the *Magnificent* there is no question that the effectiveness of UNEF would be greatly increased. The above suggested Canadian contribution is based on the assumption that UNEF would remain in force for at least another three months. This ends summary of General Burns message to Secretary General.

5. I have not seen press reports on present Canadian contribution to UNEF, but I hear from all sides and first and foremost from General Burns what an invaluable component part they are. Other countries in the main have sent infantry units, but the Canadian contribution of signals and administration personnel, medical and army service have made it possible for UNEF to function administratively. But more than mere functioning thanks to present Canadian contribution UNEF has been able to set about its complex task briskly and efficiently. Further contribution suggested above in General Burns message would be in this tradition of highly specialized and practical type of contribution.

6. You will of course shortly learn of this proposal of General Burns to Secretary General but I am transmitting this message so that you must have advance notice as soon as possible.

[HERBERT] NORMAN

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189. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], December 5, 1956

Present:

The Minister of Trade and Commerce, Minister of Defence Production
and Acting Prime Minister (Mr. Howe), in the Chair,
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance and Acting Minister of Citizenship and Immigration (Mr. Harris),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

. . .

UNITED NATIONS EMERGENCY FORCE; CANADIAN CONTRIBUTION (PREVIOUS REFERENCE NOV. 28)

26. *The Minister of National Defence* said it was understood that the commander of the United Nations Emergency Force was sending the Secretary General further proposals on the Canadian contribution to the force. These were not as yet firm recommendations but ideas for consideration. General Burns was aware that the Canadian government was pressing for a decision on the Queen's Own Rifles and, of course, would welcome a Canadian battalion. However, his view was that some other type of contribution would lead to a better organized and more effective force. The proposals included the following:

(a) A signal unit of about 180 men;

(b) a communications and observation air squadron of about 300 men, to come after the airlift was completed and the transport squadron released;

(c) a workshop of about 150 men, for which as yet no offers have come from other countries;

(d) two more transport platoons of about 100 men; and,

(e) an additional armoured reconnaissance unit or squadron of company size of about 200 men.

The total number of the above troops would approximate a battalion. They would be sent out in the *Magnificent* and there was no question that the effectiveness of U.N.E.F.

would be greatly increased. The suggested contribution was based on an assumption that U.N.E.F. would remain in being for at least another three months.

27. *Mr. Campney* added that the Chief of the Air Staff was working out a proposal in connection with the communications and observation air squadron which would involve retaining 4 C-119's from the airlift and the sending over of some small planes. The C.A.S. considered such a request could be met and some 250 men would be needed. The Chief of the General Staff was looking into the question of a reconnaissance squadron. If the proposals came forward officially and were agreed to, it would mean that General Burns would be provided with what was really a Canadian-manned headquarters. Very good reports had been received as to the present Canadian contribution in this field and there had been no objections from the Egyptians. Settling on this type of assistance would preclude the use of the Queen's Own Rifles at the present time, and it would be most advisable then to return the unit by train to Calgary before Christmas.

28. *The Secretary of State for External Affairs* pointed out that the suggestion was entirely one made by General Burns himself. It had now reached the Secretary General who was in consultation with his military advisers. Mr. Hammarskjöld had his own ideas as to the possible use of the Q.O.R., probably in the Gaza strip. No decision should be taken immediately and the Secretary-General should have at least twenty-four hours to decide what to do. If he told General Burns that it was necessary to take over the Gaza strip, and use the Q.O.R., the latter would have to decide whether or not to proceed with his present proposals. Canada could not provide for both. There would be no question of any reference to Egypt in either case.

A message could be sent to New York for the Secretary General's information that, if there were an inclination to ask for Canadian specialized units rather than for the Q.O.R., the Canadian feeling was that this had best be done, but that Canada could not undertake to send both.

(A message[163] along the above lines was sent.)

29. *During the discussion* the following points were made:

(a) It would be better to provide headquarters' troops rather than get involved in occupying the Gaza strip, even though there would be criticism of failure to use the Q.O.R. Negotiations on the strip were only now beginning and, although the idea of interposing a U.N. force between the returning Egyptians in the Sinai peninsula and the Israeli army was sound in principle, many difficulties could be expected, particularly as Israel had said the Gaza strip was not part of Egypt.

(b) The future of the police force was completely indefinite. It might break up in a few weeks but might more likely operate for a year. There was a much better chance of a settlement of the Suez Canal and Israel problems if a U.N. force was on the ground. The next important item on the agenda was to start work on clearing the canal. Then the Israel problem might be tackled. It would take one year to demonstrate whether the U.N. could or could not do the latter job.

(c) The Q.O.R. had been sent to Halifax following formal advice from the Secretary General that this would be the most satisfactory contribution from Canada. Subsequent experience on the spot in Egypt had led General Burns to think that a different kind of assistance was better. Care had been taken, with every change, to get the requests in writing from the Secretary General.

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[163] Voir/See Document 186.

30. *Mr. Pearson* subsequently reported that the Canadian representative at the United Nations had transmitted his message and had been informed that a definite decision would be known to-night or, more likely, to-morrow. It was likely that the decision would be in favour of a headquarters unit.

31. *The Cabinet* noted the reports of the Minister of National Defence and the Secretary of State for External Affairs, and the reply to the message sent to the Secretary General of the United Nations, and agreed that if specialized service units, such as those described, were requested by the Secretary General rather than the Queen's Own Rifles, they might be despatched on the *Magnificent* if that course appeared best, and the Queen's Own returned to Calgary.

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190. DEA/50366-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, December 6, 1956

UNEF: DISCUSSION WITH CANADIAN PERMANENT MISSION, NEW YORK

In accordance with your instructions, I telephoned Dr. MacKay after the Cabinet meeting and told him that what the Canadian Government now wants urgently is a statement in writing from the Secretary-General of exactly what the UNEF Commander desires as a Canadian contribution. In this statement it should be made quite clear why the contribution of a battalion is no longer required and what different contribution is to be requested of the Canadian Government in specific terms.

2. Assuming that the Queen's Own Rifles would no longer be required, I emphasized the importance of the public relations aspect of this change in the form of the Canadian contribution. I emphasized particularly that the Secretary-General's letter should bring out clearly Canada's prompt response to the previous U.N. request for a self-contained battalion and why Canada was now being asked to do something else. I also emphasized the time factor, namely that you and Mr. Campney would be leaving for the NATO meeting this Saturday [December 8] and that a decision would have to be reached before then.

3. This conversation was followed up the next morning with an enquiry by telephone as to what had been done to bring these views to the attention of the Secretary-General. We were told Thursday morning that the Secretary-General had sent a priority message to General Burns to the effect that his suggestions about the new form of the Canadian contribution seemed to make sense in terms of the new plans for the build-up of UNEF to approximately 6,000 and that, if he (Burns) were to put his enquiry of yesterday in the form of specific recommendations, these would be put in the form of a request to the Canadian Government.

4. We were further informed that Dr. Bunche has been asked by the Secretary-General to draft a letter along the lines suggested by us which would incorporate the specific recommendations of General Burns. It was confirmed to us that there would be no question of referring this specific request in any way to the Egyptian Government for clearance and that therefore the written request from the Secretary-General and the reply from the

Canadian Government would be sufficient to put the new plan for the Canadian contribution into effect.

5. I shall report further developments as further information is received from New York.

J. L[ÉGER]

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191. DEA/50134-40

La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Delegation to United Nations General Assembly
to Secretary of State for External Affairs

TELEGRAM 1594 New York, December 6, 1956

CONFIDENTIAL. IMPORTANT.

Repeat for information London and Washington.

MIDDLE EAST

We have been giving a good deal of thought here to the nature of a possible settlement on the Middle East. It can perhaps be said that the diplomacy of a settlement is as important a matter for consideration as the terms which can be negotiated or imposed. There is no use working out plans if they will not be accepted. The force that will induce acceptance is bound to be a mixture of pressure and self-interest, with due regard to face.

2. The pressures and appeals which can be brought into play will have to come to a large extent from outside, primarily from the Great Powers. However, there has been a radical change in the position of the Powers, which will have to be assessed cooly. The unpleasant and unwelcome fact that we must accept is that Britain and France are not, for the immediate future at least, in a position to exert pressure and would, in fact, be wise to stay out of the picture entirely. We are left to invoke the power of the USA and the Soviet Union, both of which seem to have strengthened their positions in the favour of the Arab countries.

3. It is clear that the interests of the free world depend upon the extension of the influence of the USA in the Middle East. This extension may have to be to some extent at the expense of the interests and prestige of the UK in that area. That is not a situation we would have wished, and which we should do everything to mitigate but the stakes are such that British and French feelings, if not their basic interests, may have to be sacrificed. Although relations between the NATO Powers must be re-established, the USA cannot play the role it must play in the Middle East unless it stands somewhat aloof from British and French policies in that part of the world — or unless, of course, it is offered changed policies on such subjects as Cyprus and Algeria to support. Our anxiety over relations between the USA and its European allies should not lead us into pressing the USA to accommodate these allies to such an extent that it loses its position of influence in the Middle East and Asia, because it is a fundamental interest of NATO that the influence be maintained.

4. Some months ago we were tending to think that we had to accept Soviet participation in a Middle East settlement as a *sine qua non* of such a settlement, on the grounds that the Arabs could never be persuaded to compromise so long as they knew that the Russians would support their most extreme demands. We had some hope that the Russians were sufficiently worried over the explosive nature of the conflict in the Middle East to agree to

some kind of stabilizing agreement. It is still possible that they would settle for some agreement rather than provoke the USA too far, but British and French action last month and the repulse of this action by American intervention must have altered their calculations considerably. While they may still agree to come to terms, it is wise to assume that for the time being they consider their best policy would be to keep the Middle Eastern pot stirred and to seek their best advantage from backing the Arabs to the hilt. At any rate for some time to come our relations with the Russians are not likely to be conducive to a Four-Power solution unless there were a radical change in the situation in Eastern Europe.

5. If this is the case, then the prospects of a settlement are dim. The Egyptians and other Arabs are probably nervous about closer association with the USSR and would prefer American support, but if the Americans are supporting not a complete Arab triumph but a just settlement with Israel and a reasonable solution of Suez, the Arabs are unlikely to resist the temptation to fall back on Soviet diplomatic support. They will be encouraged to do so in particular if they have also the moral support of the Asian countries, and of India in particular. Asian support may not mean much in economic or military terms, but their moral backing combined with that of the Communists would make it impossible for the USA to get a majority in the UN to press the Arabs into acceptance.

6. Is it possible, however, that the diplomatic situation would be altered considerably for the better if the USA could win over India and her Asian associates to collaboration in the formulation of a settlement? Such an endeavour might be achieved at the meeting between Mr. Nehru and Mr. Eisenhower this month, and the Canadian Government could assist it greatly by following up such a gambit when Mr. Nehru comes to Ottawa. The Indian record on the Middle East, in spite of the protestations of Mr. K. Menon, is not a very worthy one. They have either stood back pharisaically and cried out at the wickedness of the Western Powers or they have played Arab-Asian politics to get support for their own positions. At no time — except possibly during the recent Suez crisis when their economy was affected — have they shown any serious interest in contributing toward a genuine pacification. It is, of course, tempting for countries to be irresponsible when the Great Powers do not encourage them to be responsible. The Indians may often cause a lot of trouble, but there can be no doubt that, unlike the Soviet Union, they really want peace and stability in the Middle East. They react irascibly to any request to subscribe to a settlement imposed by what were formerly the major powers in the area. Is it not possible, however, that Mr. Nehru would respond differently to a direct request from President Eisenhower to work out with the USA and sell to the Arabs a framework of peace in the Middle East? The Indians are committed to the continued existence of Israel and to the freedom of the Suez Canal. There is little that stands in the way of a common front between them and the Americans. The differences are more in the mind, and might be exorcized by a genuine offer of collaboration on terms of equality.

7. India is, of course, no substitute for the Soviet Union as a partner in a Middle Eastern settlement. However, even if India could not bring military or economic assistance, its collaboration would at the very least have a negative value; they would not, in that case, be working against a settlement, encouraging the Arabs to refuse on the basis of anti-imperialism any terms whatsoever. There would be no use, of course, bidding the Indians to join the Americans in order to oppose the Russians, because this would be contrary to the deepest Indian instincts as to how settlements can be achieved. The Indians might, however, put pressure on the Russians to be sensible, and the very fact of their being in association with the USA would make Soviet opposition more difficult.

8. It could be objected that the USA, by appealing to India in this way, would be exalting India close to the rank of a Great Power in place of the UK and France. Certainly the result

would be to enhance still further the position of quasi-Great Power to which Krishna Menon has clawed his country's way in the UN. The authority of India among Asians and Arabs, although by no means absolute and unquestioned, is nevertheless a fact to be faced. The trouble now is that India too often wields the influence of a Great Power without the sobering sense of responsibility for peace in all parts of the world which goes with that status. One important reason why they do not do so is that the Western Powers do not treat them as equals. That is why it is important for the USA, without any further delay, to invite the Indians to work with them in achieving a settlement. They should certainly declare this attitude before we are launched on the USA resolutions in the Assembly. The Indians are now suspicious of these resolutions and of the whole effort by the Western Powers to use the present crisis to achieve permanent solutions, and the effort is unlikely to succeed unless the USA can win more allies that it now has in favour of a settlement which is fair to the Arab States but which asks them to retreat from their extreme demands.

9. The difficulty in a programme of this sort is that the Americans will have to ride two very balky horses at the same time. They will have to restore the Western Alliance, and try to protect the basic Western economic interest in the Middle East, if NATO is not to suffer from early inanition. But they will also have to gain the confidence of the Arabs and Indians, by giving the impression of working separately from the UK and France. It may be that the USA will be able to secure the confidence of their European allies in their ability to do this. But the danger remains that public opinion in England and France, already dangerously anti-American, will interpret a USA wooing of the Arabs and India as in some way a betrayal of the Alliance. If this should happen it would further exacerbate USA relations with France and the UK, and precipitate the dilemma for Washington of having to choose between the Western Alliance (and the solid base of the anti-Soviet policy of the USA) or the Arabs and India. Nevertheless I see no alternative but attempting to wed these two policies, and it should not be beyond the possibilities of diplomacy, of which the basic ingredient must be absolute frankness between the three major Western powers.

10. If there is anything in this approach, could we talk to the Americans in Washington about it?

[J.W.] HOLMES

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192. L.B.P./Vol. 85

Le sous-secrétaire d'État adjoint aux Affaires extérieures
au secrétaire d'État aux Affaires extérieures

Assistant Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET & PERSONAL New York, December 8, 1956

Dear Mr. Pearson:

Attached is a memorandum which I have prepared in a few quiet moments we have had recently. I recall your asking us to keep notes of the various stages of the recent excitements here. What I have prepared is not a chronological report in any sense as this has been much better done by you and by Geoff [Murray]. However, there were a few things I recalled which seemed to me ought to be on the record and might be useful for reference in future.

The other day I had a long talk with Leo Malania which was concerned to a large extent with the personality of the Secretary-General and his attitude on many things. Leo referred to the article in *Time* about the creation of UNEF and said that it was, of course, quite wrong to suggest that Mr. Hammarskjöld had initiated the idea of a United Nations force. In fact, he said, the Secretary-General had been quite cool to the idea at first.[164] I mentioned to him the lunch on November 2 and Leo confirmed entirely the impression we had of the Secretary-General's attitude at that time. He said, however, that this lunch, which he knew about, had been the turning point in the Secretary-General's thinking. I said that I was somewhat surprised as it did not seem to me that the Secretary-General had been influenced much by what you had said at the lunch. Leo said that this was the way the Secretary-General usually worked. If an idea was left with him, it began to germinate. In this case, he said, it germinated later in the day and in a short time he began to see in it a way out of the situation which had previously depressed him completely. Leo said that he had discussed these things with Andy Cordier and Andy had told him that it was the lunch with you that was the turning point.

If there are any other parts of the story which you think we should set down, please let me know. We have had a bit more time of late although we are still very hard pressed. Fortunately we have an even better than usual delegation which works very well together. The Parliamentary group are a particularly nice lot this year and seem to be making the most of the opportunity. Because everything is very harmonious and there is such a high level of general competence, we are all feeling a lot better than we otherwise might. I do hope that you will not exhaust yourself in Paris. The U.N. needs you badly.

Yours sincerely,
JOHN [HOLMES]

[PIÈCE JOINTE/ENCLOSURE]

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET & PERSONAL [New York], December 6, 1956

I have at last had an opportunity to go through a few notes I have made during the past few weeks and make a note of a few assorted aspects of recent events which you may wish to have for your personal record. The following is not intended to be a consecutive account but merely a few notes which may not be reflected in the files.

1. On Friday, November 2nd Mr. Hammarskjöld and Mr. Cordier came to lunch with you. Dr. MacKay and I were also present. It was the day after the first long night session of the Assembly during which you had, in explaining Canada's abstention on the USA resolution, spoken in general terms about an international force. You talked about this idea at lunch but the Secretary-General was not very receptive. He did not seem to have directed his attention very seriously to the proposal. He did not reject the idea but he spoke almost entirely of the difficulties. He seemed confident that such a "police force" would not be accepted. He emphasized the Israeli objections. He said that Ben Gurion considered even

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[164] Note marginale :/Marginal Note:
This is correct — witness the comment he made on the note [non retrouvée/not located] I sent to him on the podium an hour or so before introducing the resolution. L.B. P[earson]

the present United Nations observers to be intruders. In the course of the discussion he was extremely critical of Israel and its leaders; a position which may be attributed to some extent to the shock of the recent invasion. At one point he expressed the view that Israel as a state would not last. He was very critical of Israeli methods of negotiation, particularly their habit of gaining a point and then moving on to gain more. He seemed to believe that there had probably been collusion between the French and the Israelis before the invasion but he was very doubtful if the British were involved.

One of the reasons for his failure at this point to back up the idea of an international force seemed to be his preoccupation with the Suez Canal negotiations in which he had been involved with Messrs. Fawzi, Pineau and Lloyd. Clearly he was bitterly disappointed that these discussions, which he thought were progressing hopefully, had been frustrated by the invasion. He said that the advance towards agreement of the three Foreign Ministers had gone farther than was generally known. The Foreign Ministers had, in fact, gone farther than their instructions, and one of the problems was the difference between their positions and those of their respective prime ministers. The latest proposals he had made had not been rejected by Fawzi at the time of the invasion. Hammarskjöld had even taken some steps to arrange a private meeting in New York between Fawzi and Mrs. Meir and had some hope that this might take place. He added that early in July, that is before the nationalization of the Suez Canal (July 26), the Egyptians had approached the British and French about the possibility of negotiations with the Israelis and had spoken to him as well. He also expressed his firm conviction that Nasser did not want the Russians to gain control in Egypt and would be cautious about going much farther with them.

The Secretary-General was very much exercised over the situation in the Gaza strip. He believed from his reports that the refugees were being badly treated and that, as they were armed, there might be a terrible massacre. He said that if this did break out he would personally ask the United States fleet to intervene.

2. During the night session of November 3rd (that is two days before Krishna Menon arrived in New York) Arthur Lall drew me aside to speak about the idea of an international force. He told me that he had been quick to notice Sir Anthony Eden's statement that the United Kingdom and France would be happy to turn over their responsibilities to a United Nations force — which, he seemed to think, would be largely American. He saw in this a way out of the situation and talked to Cabot Lodge who agreed with him that this was a very profitable line to pursue. (Mr. Dulles had, of course, given support to your "constructive" suggestions shortly after your intervention on November 1—2.). Lall and Lodge then spoke to Loutfi and Loutfi himself agreed. Loutfi then telephoned to Fawzi in Cairo, who explained the idea to Nasser. When Lall spoke to me he had just received the news that Nasser had agreed in principle. This conversation took place before the Canadian resolution had come to a vote (November 4). Lall gave no indication that (as Krishna would have done in similar circumstances) he wished to claim Indian authorship for the proposal. He gave it to me simply as background information which we should have and which explained his willingness to go along with the Canadian resolution. I would gather also, from reports I have had from the Pakistanis and Japanese, that this preliminary negotiation, about which Krishna Menon knew nothing, was the cause of his discomfiture at the Arab/Asian meeting on Monday morning November 5. You will recall that at that meeting he began by opposing the idea of an international force and was then told that not only had most of the Arab/Asians supported the proposal but Nasser himself had agreed to it.

3. During the night session of November 3-4, when you were making up your mind whether or not to put forward our tentative resolution on an international force, I was approached on several occasions by one of the senior United Kingdom Advisers and one of

the Senior French Advisers both of whom spoke to me on a personal basis. While the United Kingdom Adviser asked me never to reveal what he was saying, François de Laboulaye specifically said he did not mind at all being cited. Although they spoke to me separately they spoke in similar terms. They both urged me to urge you to push ahead with the idea of an international force which they saw, in their mood of desperation, as the only way out. The United Kingdom adviser took great pains to draw my attention to Sir Anthony Eden's statement on this subject (on November 1) and to the fact that Sir Pierson Dixon had quoted it in the Assembly. He added that the United Kingdom Delegation were not certain that their Prime Minister had not spoken ironically but they were determined nevertheless to use his statement for the purpose which they considered essential.

There is no doubt, of course, that both of these men, and more particularly de Laboulaye, had in mind the conception of a United Nations force which would take over from the French and British. Whether they would have been so enthusiastic about the United Nations force, as it has later been developed, I am not sure. De Laboulaye, while expressing the strong opinion that the international force was the only solution, nevertheless urged us to take it slowly. He said that it would take time to sell it to the French Government. He thought, however, that this could be done if we did not rush them. He was confident Alphand would accept it, and Alphand was very influential with the Government. He was not very happy with the speed at which our proposal was carried and when I last saw him, before he went back to Washington — November 6 — the day of the cease fire, he seemed to be disappointed in the proposal as it had finally come out, particularly with regard to the vague functions assigned to the force. You spoke to him, however, at this time and would be in a better position to know his attitude.

J.W. H[OLMES]

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193. DEA/50366-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM POLEG-1649 New York, December 10, 1956

CONFIDENTIAL. IMMEDIATE.

Repeat for information Washington, London, Paris and NATO Paris.
By bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi from Ottawa.

UNEF: CANADIAN CONTRIBUTION

This afternoon Bunche gave Murray a letter No. PO/125 of December 10 confirming the request from General Burns, discussed orally during the past week, concerning an alternative Canadian contribution to UNEF. Bunche explained that this letter was an interim confirmation because at a later stage the Secretary-General proposed to send formal notes to all the Governments concerned about their contributions to UNEF. This was offered in explanation of the form of the present letter, the text of which reads as follows:

This is to confirm the request from General Burns, earlier transmitted to you orally, concerning an alternative Canadian contribution to the UNEF.

As you know, General Burns is decidedly of the view that the most effective Canadian contribution to UNEF would consist of additional personnel in the form of a signal unit, a communication and observation squadron, a workshop unit, one or two additional transport platoons, and a mobile reconnaissance unit. These would be in addition to Canadian personnel now in UNEF and would take the place of the standing offer of additional assistance in the form of Canadian infantry. General Burns has pointed out that any further infantry requirements of UNEF can be easily met elsewhere, while Canada is uniquely equipped to afford the vital support and administrative units not otherwise available. To the extent that Canada may find it possible to provide these urgent needs, General Burns hopes that the personnel and equipment may be dispatched to Port Said in HMCS *Magnificent* at the earliest possible date.

The assistance which Canada has already rendered to UNEF is invaluable and is greatly appreciated, and this is equally so with regard to the availability of Canadian infantry. But there can be no doubt that the best interests of the UNEF effort will be served if the additional Canadian contribution can be along the lines proposed by General Burns. Ends.

2. This text was telephoned to Leech about five o'clock this afternoon. He and McCordick were informed as well that the UN had issued a brief press release concerning the revised Canadian contribution to UNEF. This press release read as follows: Begins.

Secretary General Dag Hammarskjöld announced today that the Government of Canada has agreed to provide additional units to the UNEF, on the basis of an urgent request transmitted by the UNEF Commander, Major General E.L.M. Burns.

The additional units will include engineers, an army signal squadron, an infantry transport company, a field ordnance workshop unit, and a Royal Canadian Air Force communications and observation squadron. These are units needed to serve the force as a whole.

The additional Canadian contingents will leave for Egypt with their vehicles and equipment as soon as possible aboard the Canadian aircraft carrier HMCS *Magnificent*.[165] Ends.

[R.A.] MACKAY

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194. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM ME-31 Ottawa, December 12, 1956

CONFIDENTIAL. IMMEDIATE.

Reference: Tel 1594 Dec 6 from Candel New York.

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[165] Le 10 décembre, C. D. Howe, le premier ministre par intérim, a émis un communiqué de presse dans lequel le gouvernement annonçait qu'il enverrait un escadron de transmissions, un atelier de génie, une unité de transport d'infanterie et un escadron de communications et d'observation de l'Aviation royale du Canada. Le communiqué est reproduit dans *La crise du Moyen-Orient, octobre-décembre 1956*, pp. 30-31.

On December 10, C.D. Howe, the Acting Prime Minister, issued a press release in which the Government announced that it would send an army signals squadron, an engineering workshop, an infantry transport unit, and an RCAF communications and observation squadron. The press release is reprinted in *The Crisis in the Middle East, October-December 1956*, pp. 27-28.

Repeat for information Candel New York, London, Washington and Paris.

MIDDLE EAST

1. Our ideas on the substance of a Middle East settlement are far from crystallized, but there is one practical question which we think needs to be examined right away. The delegation in New York has already suggested the desirability of an American invitation to India to collaborate in the formulation of a settlement. We have been asking ourselves whether it might be useful for the Canadian Government to recommend such a course to the United States, with a view to its discussion during the Nehru visit to Washington.

2. We start with certain basic assumptions:

(a) The Anglo-French-Israeli action has removed any immediate prospect that the Arab States and Israel might be able to agree upon a settlement on their own initiative;

(b) Plans for a settlement will therefore need promotion from outside the circle of parties directly concerned, and the settlement itself may very likely have to be imposed;

(c) If an imposed settlement is to be effectively guaranteed, it must be acceptable to Moscow as well as to the United States;

(d) The United Nations provides the only feasible avenue leading to an imposed settlement, although if in due course a peace conference were held, this need not necessarily be too closely linked with the United Nations.

2. For reasons developed in the delegation's message we would favour early Indian association with the United States in efforts to prepare a settlement, and we think there are important advantages in having President Eisenhower or Mr. Dulles raise the matter personally with Mr. Nehru rather than having it done through an intermediary such as Krishna Menon. If we decide, however, to suggest this to Washington, we should perhaps accompany our suggestion with some general thoughts on the role we would like to see played by the main Governments concerned.

3. In this connection we do not think that the United Kingdom and France should stay out of the picture altogether at this stage. It is, of course, obvious that they should conduct their diplomacy as unobtrusively as possible, and also that it would be fatal to the preservation of United States influence in the region if by rash public alignments with the United Kingdom and France, Washington were to squander the credit it has won among the Arabs and Asians. On the other hand there are reasons against allowing it to be publicly assumed that the United States contemplates moving into the Middle East like a battleship unsupported by friendly escorts. For one thing such tactics would almost certainly give rise to anxiety in London and Paris even though, as the delegation recommends, the way were prepared by absolute frankness among the three Western powers. Secondly, our guess (but this is only a guess) is that the Soviet Union would be likely to react with alarm to the prospect of more positive American policy in the Middle East if such a policy gave the appearance of being based on a "go it alone" principle, to the exclusion of the United Kingdom and France. Thirdly, it strikes us that despite the bitterness engendered in the Arab world by the military action in Egypt, the United Kingdom has somehow managed to retain a not inconsiderable political influence among all the Moslem members of the Baghdad Pact, as it certainly does in Turkey. These Governments may well require careful nursing if the Soviet Union and India are to participate in devising a peace settlement, and it would surely be prudent to endeavour to see that British influence in the Baghdad circle was being used from the outset in a manner likely to facilitate a general settlement. Finally, despite what has happened, Arab leaders undoubtedly expect NATO to mend its fences and will respect Western powers more fully if this is rapidly done and is reflected in the adop-

tion of a more constructive policy toward the Middle East by the United Kingdom and France, which cannot but recognize that this will be necessary for them both if they are to continue to play an influential part in world affairs.

4. With regard to the role of the Soviet Union we have, it seems to us, to reconcile our determination to contain undesirable Soviet penetration and subversion of the Middle East countries, with an acceptance of the Soviet Government as an essential participant in the peace negotiations. We also think it desirable that the Soviet Government should be a guarantor of a peace settlement, or else that it should be shown to be the principal obstacle to such a settlement. We do not know how the United States would react to Soviet participation. There are obviously great difficulties, particularly if it proves that the Soviet Government used the role of a peacemaker to cloak continued trouble-making in the area. If, however, we accept the necessity of Soviet participation we must direct our efforts to seeing that the peace settlement should include, as a complement to the fixing of territorial boundaries, a comprehensive and intelligently planned programme of economic and social assistance, to aid the Arab States to improve their own living standards, establish their self-respect, reduce their fear of Israel, and thus gradually limit the opportunities for the Soviet brand of mischief from within. It would be preferable if such a programme, blueprints of which already exist at the United Nations, could be launched under the auspices of the U.N. and appropriate agencies, even if the main original source of the necessary funds were American.

5. India's role also deserves comment. The sooner the Indians can be induced to accept responsibility commensurate with their influence in the Arab world, the better. It is not, however, realistic to think of the Indians as being brought in as a substitute for the Russians, or even to mollify them. India's position is unique in that it has special links with the West, a latent position of leadership vis-à-vis the Arabs, a tolerable reputation in Israel, and a clear wavelength to Moscow with the assurance of being listened to. India therefore has qualifications to be a participant in its own right, and it is to be hoped that Mr. Nehru can be prevailed on to play the role for which India appears qualified. He has not shown much eagerness in the past, except in relation to the Suez Canal aspect of the Middle East problem, but his recent speeches show that the subject is uppermost in his mind.

6. It remains to consider how India might be brought in. One possible way would be to appoint it to the Committee envisaged in the pending U.S. draft resolution. We are, however, not sanguine about the likely productivity of this body, and we continue to favour the appointment of a single negotiator appointed with the approval of the General Assembly. Perhaps the two methods could be combined, with the Secretary-General being given power to take preliminary soundings with the assistance of an advisory committee of perhaps five individuals representing different geographical regions but excluding the major powers. The advantage of this would be to insulate the preliminary talks, to prevent a situation developing in which, from the outset of the negotiating process, the four major powers took conflicting public positions from which they could not later withdraw and which would prejudice the whole enterprise.

7. When the Advisory Committee (which might, of course, include an Indian) has completed preliminary soundings, a way might be found, again with the approval of the General Assembly, to call a Middle East peace conference limited to Israel, the Arab States, the United States, the United Kingdom, France, the U.S.S.R., plus India, under the chairmanship of the Secretary-General. It would be the task of this conference to examine plans put forward by the Secretary-General and the Advisory Committee and to attempt to work out a general settlement which the Four Powers and perhaps India would endorse, and, insofar as a territorial solution was concerned, impose and guarantee.

8. We think it is not too early to urge President Eisenhower and Mr. Dulles to talk seriously to Mr. Nehru about the channels and the agents, if not the substance, of a settlement. During our consideration of these questions we have been struck by the important place which the Baghdad Pact occupies in the thinking of all those Governments which will be directly associated with future negotiations. We ourselves have not decided what we should say if our advice were asked by, say, the Americans or the Indians. On the one hand the United States is searching now for a means of strengthening the Baghdad Pact powers without adhering to the Pact itself. If it takes a leading part in diplomatic moves leading to the establishment of security in the area which is guarded by the Northern tier alliance, this will of itself greatly reduce the danger of Soviet penetration in the Middle East. The United States may greatly prefer this indirect means of excluding effective Soviet influence, reserving military support of the Baghdad Pact powers as a last resort, to fall back on only if hostilities actually break out.

9. Another point of view is that the Baghdad Pact, now such a divisive element in the Middle East situation, might eventually come to have less of a *raison d'être* with the establishment of more stable conditions in the area. Members of the Pact could hardly be expected to entertain this thought as a short-term possibility, but it can be argued that Soviet penetration in the Middle East would be less determined, and meet with less success, if the Baghdad Pact did not exist to provoke the Russians, irritate the Indians, and divide the Arab States. Although perhaps these ideas apply to the distant future, they seem to point to the undesirability of formal U.S. association with the Baghdad Pact. If, as we hope, there is a genuine international desire for a new order in the Middle East, the U.S. should, on this argument, withstand pressure to join an organization whose future scope cannot yet be defined.

10. We should be grateful if you could find time to consider these thoughts with a view to their possible use by Arnold Heeney before Nehru's arrival in Washington.

[J.] LÉGER

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195. DEA/50134-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1775 London, December 13, 1956

SECRET

Repeat for information Washington, Candel New York, NATO Paris and Paris.
By Bag Bonn, Brussels and Hague from London.

AFTER SUEZ

Although the UK Suez policy is at last getting back on to the rails, some of the intangible but effective causes of the aberration remain and may prove to be less easy to cure. Indeed, the very failure of the intervention may in itself tend through frustration to strengthen some of the underlying attitudes which contributed to the Anglo French decision to intervene by force: among these attitudes has been dissatisfaction with the USA, with the UN, and even with NATO, and in general a restiveness at some of the restraints involved in living in international society as it now is organized.

2. The go-it-alone mentality, which led to the Anglo French decision to take matters into their own hands sprang in considerable part, as you know, from frustration and exasperation with what the UK and France interpreted as unreliability and almost indifference on the part of the USA towards vital Western European interests in the Middle East or North Africa. But now that it is becoming increasingly difficult to hide the fact that the Anglo French intervention has been a failure, the tendency to make America the public scapegoat has assumed disturbing proportion. In a sense the parties in power in the UK and France have acquired, temporarily, a political vested interest in anti-Americanism. Certainly anti-American feeling seems to be rather wider and deeper in France than in this country, where the more responsible governmental as well as the opposition leaders recognize its dangers. We have reason to believe, however, that Sir Anthony Eden last week sent messages from Jamaica encouraging more "standing up to the Americans" in ministerial statements.

3. Among the more sophisticated an alternative scapegoat is the UN. Though the events of the past five weeks have probably impressed opinion in the Western hemisphere and Asia as a demonstration of the efficacy of the UN, important sections of opinion here regard it primarily as a rather dangerous example of institutionalized injustice, in view of the contrast between its effectiveness against the UK and France and what might be considered its impotence in Hungary, Kashmir and elsewhere. One hears increasing doubts whether an institution with what is called a built-in double standard is after all compatible with European interests.

4. There is, of course, a very real problem here and frank recognition of it can be all to the good. The institutions of the UN, and particularly the General Assembly, unquestionably do involve a double standard in more than one way. First, the force of recommendations is largely moral, and therefore inevitably more effective in democracies where public opinion is decisive, than in totalitarian societies. Again, the more highly evolved democracies are more sensitive, and may therefore be considered more "vulnerable" to UN resolutions, than the rawer, more primitive, or more parochial societies. Again, England appears to be more sensitive than France to this sort of sanction. Secondly, the vast Afro Asian group of States had, of course, repeatedly demonstrated double standards both in terms of colour and in terms of a prejudice against the possession of overseas spheres of influence, which they are apt to consider more imperialist than the expansion of control round a nation's land periphery. This rather [sic] prejudice seems to involve a bias against civilizations which have traditions of sea communications, as contrasted with a tolerance toward the expansiveness of land (group corrupt) such as Russia and China.

5. Recognition that the UN has not been all that could be desired, can lead either to constructive proposals for improving, or to excuses for weakening, the world organization. I am afraid it cannot be taken for granted that all responsible thinking in this country — either in Parliament or in the Foreign Office — would prefer to strengthen the UN.

6. We have learned in confidence that some UK and French ministers during recent weeks have been talking about a situation in which withdrawal from the UN might be found necessary. There is no risk that they would actually go that far, now. The UK Foreign Office has, however, been asked in the past few weeks to make a reappraisal of the UN. (Group corrupt) a couple of meetings of the officials concerned, the reassessment has, we understand, been postponed without definite conclusions being reached. We have not obtained very much info on this study, but we understand that while there have been considerable divergencies of view many officials of head of departmental level and seniors consider that on balance the UN has been a gravely damaging factor, "if not, indeed, a disaster", for Western Europe. Naturally, we expressed the hope to our informant that the Foreign Office would at least recognize that the evolution of North America away from

continental isolationism toward active participation in world affairs was part and parcel of the development institutionalized in the UN: and that if Europeans succeeded in weakening the UN they would probably create a reversion toward a continental "fortress America" policy. Unfortunately many Englishmen underestimate the strength of the North American predilection for an institutional and legalistic approach to international politics and seem to think that with enough education the USA could be made into the sort of pragmatic great power the UK itself was a century ago.

7. Concern at the danger of irresponsibility inherent in the one-state-one-vote system does not seem to have prompted in the Foreign Office any interest in possibilities of correcting this artificial imbalance in the Assembly, but prompts rather a desire to reverse the trend of the last seven years. The relative importance of the Assembly was built up in a desire to circumvent the Soviet veto; but this many here consider to have been a costly error. At the same time it is perhaps worth remarking that none here has yet noted that the recent Anglo French veto — leading almost automatically into the "uniting for peace" procedures — is likely to turn out to be a major undermining of such protection as the veto power did provide against irresponsible majorities.

8. UK Ministers and Foreign Office critics of the UN have been pleased to see recently increasing signs of criticism of the UN in other West European countries as well as France. They were, for example, delighted with Spaak's speech of November 29. They might not be unhappy to see wider discussion of UN shortcomings. This could be expected to appeal particularly to countries who have, or who had, colonies, such as Belgium, Portugal and The Netherlands.

9. We intended to send a message a couple of weeks ago reporting our misgivings about some of the UK attitudes towards the UN. Under pressure of more obvious and more immediate tasks we postponed this, perhaps wrongly, to get more info. Meanwhile the *Economist*, as always sensitive to Foreign Office trends, and we believe worried about this one, published last week a leading article on the UN designed inter alia to warn against excessive anti United Nations conclusions.[166] The article is worth perusal.

10. UK and French dissatisfaction with international institutions extends also to NATO. A Foreign Office informant has told us that some French Ministers including Mollet and Pineau have seriously contemplated emasculation, if not actual break-up, of NATO during 1957. Part of this, according to our informant, is apparently motivated by the hope that they might thereby free themselves of irksome American restraints. In the UK dissatisfaction with NATO is based on more rational grounds (a) that it costs too much and pins down too high a percentage of UK forces in Europe, and (b) that it frees Germany to concentrate on competing with British goods in world markets, while not pulling her weight in her own defence.

11. There is at present in Whitehall inevitably, and rightly, a fundamental reassessment taking place of Britain's position and policies in the world. This is as it should be, and events of the past three months have brought the need into sharper focus. There is however, the danger that resentments built up in this country during these months may in some circles colour and vitiate the thinking and make difficult the requisite dispassion.

12. Not least among the resentments is that between London and Paris. We gather that some of the British Ministers feel that the French were less frank with them about the extent of their prior arrangements with Israel. Some of the French on the other hand, feel

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[166] Voir/See *Economist*, December 1, 1956, 'What the Assembly Is'.

that the UK having set their hand to the plough, turned back too soon. Each thus serves to some extent as a scapegoat for the other.

13. Naturally enough, not all the resentment, or search for scapegoats, is directed across national boundaries. In this country there has been unusual bitterness both between the parties and among the Conservatives themselves.

14. It is not only their allies whom the senior British and French Ministers failed to consult. So far as we can gather, Sir Anthony Eden, Mr. Macmillan and a very few others took the decision to intervene without discussion with many of their Cabinet colleagues, and without consulting most of their top official advisers either in the Foreign Office or the Chiefs of Staff Committee. Drastic and unexpected action which obviously depended for results on estimates of political reactions in the Middle East, Washington, the UN and other capitals, was decided on without any attempt to get estimates from diplomatic representatives in the areas concerned. A decision to use warlike measures was adopted without notice to the Leader of the Opposition. Virtually all the checks and balances normally considered inherent in democracy were by-passed.

15. It would be wrong were this message to give the impression that we are pessimistic about the way things will work out. It is, we feel, important that the dangers of some of the underlying currents be not under-estimated. On the other hand, and this will probably prove more important, the recent enforced contemplation of the abyss and the very costliness of the errors may prove salutary for future judgement.

16. We will be reporting separately on various aspects of the objective reappraisal which seems to be under way.[167]

[N.A.] ROBERTSON

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196. DEA/50134-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 2304 Washington, December 14, 1956

CONFIDENTIAL. IMPORTANT.
Reference: Your tel ME31 Dec 12.
Repeat for information Candel New York, London, Paris and NATO Paris.

MIDDLE EAST — ROLE OF INDIA

As agreed in our phone conversation yesterday (with the Under-Secretary), I called on Murphy at noon today. I explained that the purpose of my visit was to pass on some tentative Canadian thoughts on the approach to a Middle East settlement, in view particularly of the impending visit of Mr. Nehru to Washington and Ottawa. I took with me as a basis for our conversation a memo drawn from paras 2 to 8 of your telegram under reference with some additional material from Holmes' message of December 6, and some editorial changes of our own. (Copies are being sent forward to you by bag). Handing this paper to Murphy, I explained that it was highly informal and did not represent anything more than tentative thinking at the official level. The Under-Secretary, I said, had agreed, nevertheless, that I pass it to the State Department at this stage in view of its relevance to Mr. Nehru's visit.

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[167] Voir/See Document 367.

2. After we had read over the memo together, Murphy remarked first that he noticed we had not urged that the USA join the Baghdad Pact and enquired as to the Canadian attitude on the Pact. I said that the Canadian attitude was that we understood and sympathized with the purposes of the Pact and regarded it as a regional security arrangement justified by circumstances. I said that we were not urging the USA either to join the Pact or not to join it; there were serious arguments both ways.

3. Murphy said that, while it was not impossible that the USA might join the Pact at some stage, at the moment he saw no prospect of their doing so. Admittedly, this situation might change quite quickly. (Murphy himself pretty clearly felt that they would not and should not.) The USA, he went on, were under pressure from various quarters — notably the UK — to join. On the other hand, India, which was of course against security pacts generally, was strongly opposed. Saudi Arabia had also urged the USA not to join. Murphy thought the advantages of USA membership at this time were doubtful, particularly as it might be taken to imply that the USA could do more than in fact they were able to contribute to the security of the member countries. He was sure that the USSR would take a serious view of the USA's adherence; there was no telling what the Russian reaction might be but he had no doubt it would be positive. In view of the current Soviet preoccupations and anxieties in Europe, he added, the possibility of war by miscalculation, in his opinion, was now greater than it had ever been.

4. In connection with the Baghdad Pact, Murphy enquired whether we had in mind any other grouping or arrangement in the area. He said he did not mean a security pact but an association for political and economic co-operation. I replied that we had nothing else in mind beyond the sort of arrangements that might emerge from a Middle East peace conference of the kind mentioned in the memo.

5. In connection with the references in the memo to the role of the UK and France, Murphy commented that it was his impression that the British would not be satisfied with any subordinate role; nor did he think they should. Certainly the USA were most anxious to consult with the UK on the Middle Eastern situation. During the initial period prior to the commencement of the withdrawal of the Anglo-French forces from Egypt it had been necessary to avoid the appearance of too close consultation and not give the impression that they were working in collusion with the French and British. Once the withdrawal had commenced and UNEF had begun arriving, this phase had however passed and the USA had been willing and most anxious to resume their normally close contacts on this subject.

6. On the main contention in our memo — that the USA and India should collaborate in a search for a settlement — there was pretty clearly some reservation in Murphy's mind. He said he thought India *could* be most useful, if they were to take a constructive role. Immediately he went on to add that the USA could not depend on Krishna Menon as an agent in such co-operation. Quite frankly he had not trusted Krishna Menon's participation in Middle Eastern affairs so far (he mentioned particularly his visits to Cairo during the Suez Canal negotiations). In fact Krishna Menon was so unreliable and emotional in his methods and behaviours that the Americans would find it most difficult to work with him. So far as India was concerned, its collaboration would be most welcome to the USA and could be most valuable. India, he agreed, had a real interest in a Middle Eastern settlement since its economy would soon suffer severely from the consequences of the Canal closure.

7. On the prospect of these things being discussed by the President with Mr. Nehru, Murphy implied that this had not been planned in any positive way. Both the President and

Mr. Nehru had their own techniques and approaches in a meeting of the kind about to take place. There was certainly no precise agenda (personally I doubt if there is any). The President, Murphy said, apparently planned to play by ear. On the other hand, he was sure that the President had certain things in mind which he would say to Mr. Nehru. Similarly, he was reasonably certain that Mr. Nehru would have some definite things to put to the President — including Communist China.

8. Before leaving, I expressed the hope that we be kept informed about Mr. Nehru's visit — any word they could give us in advance, particularly on the topics raised in our memo; also some indications as the talks progressed. We would wish to take both into account in connection with Mr. Nehru's visit to Ottawa. Murphy said he would discuss our memo with Hoover and get in touch with us; if possible, he would let us know whether these matters would likely be discussed with Mr. Nehru in Washington.

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197. DEA/50372-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1785 London, December 14, 1956

SECRET. IMMEDIATE. CANADIAN EYES ONLY.
Reference: My tel 1775 Dec 13.
Repeat Paris, Washington, Candel New York, Cairo from Ottawa.

SUEZ AND THE UN

There is growing impatience both in Parliament and among ministers and officials here at the delay in the work of Canal clearing. In particular there is a feeling that Hammarskjöld and General Wheeler have been unduly leisurely and compliant towards political conditions and obstructions from Nasser as regards the organization and start of salvage operations. There is some danger that this mounting frustration, coupled with renewed pressure from the Suez group in Parliament and the return from Jamaica later this evening of Sir Anthony Eden — who some think may lean towards a tougher and impenitent course — may lead to exasperated outbursts directed against the UN as such.

2. We understand in strict confidence that the French have proposed that the UK join them in introducing a resolution in the UN, perhaps tomorrow or Monday, criticizing non-cooperation by Egypt in the Canal clearing, and urging on the Secretary General stronger and speedier UN action to get the Canal open. We understand that the French also wish to accompany this draft resolution with statements criticizing the UN's impotence on Hungary and Kashmir, condemning its softness thus far towards Egypt, and perhaps even implying that if the UN does not insist on speedy cooperation from Egypt with regard to the Canal corresponding with the compliance it obtained from the UK and France on the cease fire and withdrawal issues, then the whole Anglo-French attitude towards the UN will inevitably have to be examined.

3. Our informant in the Foreign Office told us at noon today that the UK have not as yet taken any decision about the idea of a new UN resolution. We understand that the Foreign Office has recommended against introducing a resolution at this stage and that Selwyn Lloyd will be discussing the question with Pineau later today in Paris. We have also been

told that Mollet and Pineau have been telling the British that they consider it a mistake to have gone as far as they have gone to build up the UN prestige: apparently some French leaders may look on the Canal clearing issue in part as an opportunity to weaken the UN which unless weakened is a nuisance to France over Algeria.

4. Presumably the UK Government will not go along with at least the more extreme French promptings and if they do decide to cooperate on a UN resolution and statements these will doubtless be more moderate than the French suggestions referred to above. At the official level, the Foreign Office would prefer to try to speed up the Canal clearing action through unofficial démarches and without any UN resolution. The Foreign Office is conscious inter alia of the danger that putting forward the UN resolution might prompt an acrimonious debate on Egyptian demands for reparations.

5. It is however, important not to underestimate the extent of concern here, and to recognize that the UK would seem to have a legitimate grievance if Hammarskjöld and Wheeler are, in fact, in order to be unduly compliant to Nasser, accepting any unnecessary delays in getting the actual job of clearing done.

6. As you know, British ministers have refused to allow British salvage vessels now in Port Said on the Canal to be used without their trained British crews. It seems to us that balance of reason is with them on this point. Indeed it might be logical for the UN to insist that the UK and France provide, at their own expense but under UN control, such salvage facilities and personnel as they have available. This might ease the debate in the Fifth Committee on sharing the cost and might help to head off or counter reparations claims.

7. We understand that last night in Paris Dulles sent McArthur to Selwyn Lloyd to propose that the UK agree to let the UN use six of the UK salvage vessels with the British crews on condition that (a) the crews wear civilian clothes; (b) any armaments on the vessels be made inoperative; (c) the ships fly the UN flag; and (d) there be one or more UN officials on each vessel as cover. The Americans estimated that use of these six British salvage vessels and crews will save two weeks in clearing a channel through the Canal. Dulles promised that if Selwyn Lloyd would accept he would "bring to bear whatever influence was necessary" on Hammarskjöld and McCloy to get them to accept this and proceed forthwith with the clearing.

8. We understand that Selwyn Lloyd replied to McArthur that he would have accepted this offer weeks ago. Lloyd did now of course accept it, and has sent a wire to Butler saying that the Cabinet must back it up. We understand also that Lloyd told the Americans that he hoped they would make use not of six but of all the UK salvage vessels on the spot. Using the lot, Lloyd said, would save not only two weeks but seven weeks.

9. The question about the employment, as civilian servants of the UN of UK salvage vessels and crews, to which Nasser has apparently objected, is in one aspect somewhat analogous to the question whether Hammarskjöld would accept and employ in Egypt Canadian, Pakistani and other components of the emergency force to which Egypt was raising objections. On the UNEF issue you insisted on the UN's right to decide for itself the composition of the force.

10. It occurs to me that you might wish to speak to Dulles and to telephone to Hammarskjöld urging maximum speed in clearing the Canal, by making use of all British salvage equipment and crews (under the conditions outlined above) which would contribute to speedier results. You might express to them your concern lest too much frustration and dissatisfaction in London lead to the loss of some of the progress made during the past few weeks: and, indeed, your concern at the growing feeling that the UN employs a double standard. You might also wish to do what you can with Lloyd and possibly Pineau to hold

off an early or at least a drastic Anglo-French draft resolution, in order to give time for the private pressure on Hammarskjöld, Wheeler and McCloy to bear fruit.

[N.A.] ROBERTSON

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198. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1746 New York, December 15, 1956

SECRET. IMMEDIATE.

Repeat for information Washington, London, Paris and NATO Paris.

MIDEAST SETTLEMENT

It is understood that some discussion is going on in the Department on the problem of a MidEast settlement. We should like to make a few observations for what they are worth.

2. In the first place, I think we should be careful to avoid linking up UNEF in any way with the procedure of settlement, at least at this stage. Although in debates Mr. Pearson and Mr. Pinard have emphasized the necessity of pressing on with the problem of settlement, we have carefully avoided implication that UNEF should be used for the purpose of coercing the parties or imposing a settlement. It has been widely recognized, however, that the presence and functioning of UNEF in the area may well assist in the creation of conditions and an atmosphere favourable to a settlement. The Secretary General has, I feel sure, kept the procedures of settlement quite distinct from the functions of UNEF in his negotiations with any of the parties to the recent conflict, as well as with participants in the force; and I doubt very much whether the force would have been so readily accepted by the Egyptians or by countries of the Afro-Asian group had this not been the case.

3. The British and French for their part, and the Israelis for theirs, have not unnaturally taken the opposite view from time to time. For the British and French it was at least an explanation to their publics for accepting the cease-fire. The Israelis, of course, would like the force to be used to prevent the return of Egyptian military forces to Sinai and to help them obtain a peace settlement satisfactory to them. Because these attitudes of the British, French and Israelis are well known, especially among the Arabs, I suggest that we should be extremely cautious about suggesting at this stage that the force might have any other purpose than that specified in the Assembly resolutions already adopted.

4. For the present I think we should also assume, at least publicly, that the force is likely to be only of short-term duration. It may well be that a force of some sort will be required all round the Israeli border to prevent a renewal of raids and reprisals pending a settlement. But this would entail border patrolling in Israeli territory and in other Arab States as well as Egypt. UNEF has no such territorial ambit as this and could not have without the consent of the States concerned. For the present I think it would be unwise to suggest that it should have any such function. In our view this suggestion would almost certainly be rejected by the Arabs and their Asian supporters and would make the sponsors suspect. Further, it would alarm the Indians and many others who are seriously concerned about the financial implications of UNEF.

5. No doubt the problem of the extension of UNEF functions will have to be faced before long, perhaps even before the close of this Assembly but I think it is highly desirable to wait at least until UNEF is in position along demarcation lines and on a firm administrative footing.

6. This does not mean that we should not now be thinking about the problem of settlement, but I suggest the first step is that of procedure rather than of substance. The American resolution introduced in the emergency session calling for a commission of five is an interesting suggestion but it does not seem to have caught on here. We share your preference for a single intermediary. There is also much to be said for the procedure used for the establishment of UNEF; namely, empowering the Secretary General to conduct exploratory discussions with the assistance of an advisory committee. We are in the process of developing ideas along this line and hope to send our views forward early in the week.

[R.A.] MacKay

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199. DEA/50372-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

Telegram 1747 New York, December 15, 1956

Secret. Immediate.

Reference: London, NATO Paris Tel 1785 Dec 14.

Repeat for information London, Paris, NATO Paris and Washington.

SUEZ CANAL CLEARANCE

Early this afternoon I discussed with the Secretary General the current developments in the arrangements for clearing the Suez Canal under UN auspices. Prior to our conversation and in response to my request for an interview, the Secretary General sent me a memo which set forth the present position from his point of view. He explained that this was an internal memo but he saw no reason why I could not transmit it to you, provided that its source was fully protected. The text is contained in my immediately following telegram.† I strongly urge that these two telegrams be given the most restricted distribution.

2. Basing myself on the London telegram under reference I expressed to the Secretary General our concern about the growing sense of frustration in the UK over the delay in beginning the UN clearing operations in the Suez Canal. I referred to the publicity which had been given to the question whether the Anglo French salvage fleet would be used in any way. I mentioned the possibility that the UK and France might introduce a resolution complaining about Egyptian procrastination regarding the Canal clearance. I emphasized that my visit was not intended in any way to put pressure on the Secretary General but to obtain from him his most up to date views on the course of events. I pointed out that the Minister would be returning to Ottawa this weekend and would no doubt wish to have an authoritative report on the situation as it appeared from UN headquarters.

3. The Secretary General began by saying that his memo contained the most up to date info on the situation as he saw it. He wished to call attention first to the facts, which he said were roughly as follows:

(a) Admiral Dawnay, who has been in New York for the past month and who is number three in the UK admiralty, was completely satisfied that the arrangements which the UN had made for clearing the Canal were sound and would be as effective as any the admiralty had made. Admiral Slater, who was in command in Port Said, was "reasonably satisfied" that the UN team could do the job. There was, however a problem of prestige which was emphasized in Hailsham's statement in the press today (*New York Times* of December 15), which implied that even if the UN could do the job it would not be done as quickly or as effectively as under admiralty auspices.

(b) About Thursday, Dulles had sent a report from Paris to the State Department which gave the impression that the question of using Anglo-French ships and crews could be resolved if the UN would make use of 6 heavy-lift ships, which in fact were barges equipped with heavy cranes but not self-propelled. Each was manned by a crew of 15 (3 officers, 12 others). It was Dulles' contention that the prestige of UK and French in this matter would be saved if these 6 vessels, with their crews, could be incorporated in the UN fleet. The Secretary General had no info from the UK to this effect, but he had passed Dulles' suggestion to Fawzi, who had transmitted it to the Egyptian Government.

(c) With the addition of these 6 vessels the UN fleet would be the equivalent of the Anglo French fleet. The UN, in addition to bringing in very experienced Scandinavian and Dutch crew and their equipment had taken over German vessels and crews which had been under contract to the admiralty. Wheeler was probably the leading expert in the world on operations of this kind. In these circumstances the criticism expressed in the press and attributed to ranking UK officials was particularly irritating to the Secretary General, who was not in a position to reply in detail.

(d) The UN fleet, once the immediate problem had been solved, would begin operations in the southern part of the Canal. The Anglo-French fleet would continue those operations which it had already begun in the northern end. In particular there were 15 sunken vessels in the Port Said area in the process of being lifted; all but two jobs would be completed by December 20; the other two should be finished shortly after that. In any event, the Anglo-French vessels with their own crews would continue this work until it was finished. The remainder of the Anglo-French fleet (that is less 15 vessels in Port Said and the 6 required by the UN) would be withdrawn to Cyprus. After the withdrawal of the Anglo-French forces and assuming that a more detailed survey might indicate the desirability of building up the UN fleet, some of the Anglo-French vessels might be recalled to the Canal zone. In those circumstances the Secretary General would have no hesitation in making full use of the Anglo-French ships and their crews.

4. The apparent question of the moment was whether the 6 heavylift barges would operate under UN auspices for one week with Anglo-French officers and UN crews, or with complete Anglo-French crews and with a sprinkling of UN personnel. The Secretary General failed to see how this relatively insignificant practical problem could make or break the clearing operation. As far as he was concerned either side should be able to accept the position of the other but, failing this, they should be able to reach a practicable compromise. Unfortunately, however, there were complications of psychological nature. UK political leaders were taking the stand publicly that the entire Anglo-French fleet with its crews should be employed. The Egyptian leaders could not accept this (and the Secretary General believed there are sound political reasons, arising out of the Egyptian political situation, which required Nasser to take this stand). The Secretary General was critical of the fact that the UK Government had repudiated the stand which Selwyn Lloyd had taken publicly in the Assembly on November 24. He was aware, of course, of the inflexibible position which the Conservative right wing had adopted.

5. The Secretary General acknowledged that much might depend on whether the Anglo-French position was what Dulles had reported from Paris, and on what reply the Egyptians made concerning the use of the 6 salvage barges. The Secretary General could not believe that a compromise would not emerge, but he recognized the explosive nature of the whole situation. This was complicated by the growing uneasiness in the UK and France about the treatment of their nationals in Egypt. (I am reporting what the Secretary General had to say on that subject in a separate telegram†). The anxiety about the welfare of British and French nationals produced an impact on Anglo-French plans for withdrawal and this in turn had its effect on arrangements for clearing the Canal.

6. My general impression was that there is absolutely no basis for any charge that the Secretary General has been either dilatory or ineffective in making arrangements for clearing the Canal, nor has he pandered to the whims of Nasser. The Secretary General spoke about his conversations with Nasser and showed, I thought, a much keener insight of Egyptian politics and Nasser's personality than has been demonstrated in the public utterances in London and Paris. It is perhaps not without interest that the Secretary General said about our info from Robertson that Dixon had given no inkling that the Government was dissatisfied with the Secretary General's handling of the situation.

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200. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1753 New York, December 17, 1956

SECRET. IMMEDIATE.
Reference: Our tel 1746 Dec 15.
Repeat for information London, Washington, Paris and NATO Paris.

MIDEAST SETTLEMENT

On re-reading paragraphs 4 and 5 of my telegram under reference I think it might be desirable to elaborate upon the ideas in those paragraphs for purposes of clarification. In accordance with existing Assembly resolutions UNEF is intended to operate in the MidEast on an emergency basis. Having separated the opposing forces, UNEF is required to follow up the withdrawal of the foreign forces in order to secure and supervise the cease fire. This means, as regards the Egyptian and Israeli forces, that UNEF should follow on the heels of the withdrawal of Israel's forces from the Sinai and Gaza. Ultimately UNEF would take up positions along the demarcation lines between Israel and Egyptian territory.

2. It does not follow that UNEF can be used to prevent Egyptian armed forces from re-occupying Sinai. The practical effect of placing UNEF along the demarcation line between Egypt and Israel would be to deter Egypt from re-occupying the Sinai in great strength and from re-establishing their bases for fedayeen raids. However, UNEF is not empowered to prevent these things under existing Assembly resolutions.

3. We believe that any attempt to give this function to UNEF would be strenuously resisted by the Arabs and their Asian supporters. The sponsors of any resolutions along these lines would immediately become suspect. An immediate reaction on the part of the

Egyptians and other Afro-Asians might be to call for the withdrawal of UNEF from the area. This might be the result of any attempt at this time to extend the function of UNEF.

4. Nevertheless, before the end of the eleventh session, it will be desirable and perhaps necessary to consider whether UNEF's field of operations should be extended. If it is to perform a holding operation while an Arab-Israeli settlement is being worked out, and we foresee that this will be a protracted process, UNEF should be given responsibility for maintaining order along the entire demarcation line between Israel and its Arab neighbours. This might mean an increase in the size of UNEF but it would certainly mean that it would be required to operate on Israeli territory as well as in Egypt, Jordan, Syria and perhaps Lebanon.

5. Whereas the Arabs and others might react strongly now against any such extension of UNEF's function, particularly since the basic financial question has not yet been resolved, there is every reason to believe that once UNEF has established itself firmly in the area and has begun to prove itself, the opponents of extending UNEF's functions could be persuaded to see the advantage of doing so. In our view this change of attitude perhaps could take place before the end of the current Assembly.

[R.A.] MACKAY

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201. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1767 New York, December 17, 1956

SECRET. IMPORTANT. CANADIAN EYES ONLY.
Reference: Our tels 1746 Dec 15 and 1753 Dec 17.
Repeat for information London, Washington, Paris and NATO Paris.

MIDEAST SETTLEMENT

In our telegram 1746 I said that we would send our views on what might be done in the Assembly before the end of this session to begin, or at least to promote favourable conditions for, the long and difficult process which any solution of Arab Israeli differences will necessarily involve. In a short time we shall know whether the carefully prepared scheme for a Suez settlement will prove practicable. Assuming progress in that matter (and we know there are still obstacles to be overcome), we can reasonably expect a substantial improvement in the political atmosphere in the MidEast but we should not delude ourselves that Arab Israeli differences can be approached with the same swiftness that characterized the change from armed conflict in the Suez Canal zone to an apparently serious desire by the parties principally concerned to resume discussions about a Canal settlement. The Canal question has the compulsion of hard economic facts to prod the parties into businesslike negotiations, a compulsion lacking in the case of the Arab Israeli impasse.

2. The Israelis are of course most anxious to enter into direct negotiations with the Arabs. This has been Israel's declared aim ever since the signing of the armistice agreements. Israel's desire for a peaceful settlement has been voiced repeatedly in the Assembly and elsewhere, and irrespective of whether warlike retaliation by Israel was just finished or

about to begin. The Israeli activists have clung to their belief, mistaken in our view, that the Arabs can be frightened into a negotiating mood. This is part of a theory that only through toughness will Israel win recognition and respect from the Arabs.

3. Judging from conversations we have had here with Arab officials, we conclude that they are far removed from a mood to negotiate with the Israelis. Arab claims in the Assembly have since the invasion of Egypt been more extravagant than ever and privately even thoroughly westernized Arabs have dismissed out of hand the suggestion that the recent dangers in the MidEast, having brought matters to a head, necessitate, as a matter of urgency, a conference to negotiate an Arab Israeli settlement. One gains the impression that the Arab representatives are in a state of profound shock and that they will require a period of convalescence before they can talk sensibly about problems having to do with Palestine. If this is the reaction of Arab officials here, it is a safe conclusion that reactions in the area, among political leaders and the Arab masses, are nothing less. As long as this state of mind of the Arabs (and as regards Israel we think it is no less for the Iraqis than for the other Arabs) persists, there is little likelihood that direct negotiations between Israel and its Arab neighbours could begin. This means that an approach through a peace conference should be ruled out for the time being. It might be six months or more, during which the most favourable conditions should prevail in the area, before the Arab Governments could be persuaded to be more accommodating. Unfortunately the situation in the MidEast is such that the West cannot afford to mark time for very long.

4. An alternative would be an imposed settlement. This would require agreement among the Great Powers. With the current deterioration in relations between the USSR and the West, it would not be practical politics to suggest that there can be an early Big Four agreement on a MidEast settlement. This does not mean, however, that ultimate agreement among these powers on this subject should be ruled out.

5. The most likely means for tackling in the near future Arab Israeli differences would seem to be a UN approach. The ultimate aim might be that the General Assembly would recommend a new settlement in Palestine. This could be related to the earlier Assembly recommendations and to that extent it might be a face saver for the Arabs. Before their actual implementation the new recommendations would need to have at least the acquiescence of the Great Powers. At the same time the recommendations should not be too far removed from the desires of the parties. In a sense, therefore, the UN approach would be a compromise between a negotiated and an imposed settlement.

6. We are not suggesting, however, that the eleventh session of the General Assembly should attempt to prescribe the formula for settlement. Any debate now on the substance of Arab Israeli differences would be supercharged with emotion and would come to naught. We can see no likelihood of mobilizing sufficient support at present for recommendations on a settlement. In their present mood the Arabs would refuse to take the discussion seriously and because of their own difficulties, the Soviet Bloc would merely exploit the situation. Many of the Afro Asians and even some Latins could be expected to follow the Arabs blindly at this time.

7. This does not mean that the Assembly should do nothing at the current session. On the contrary we believe it is essential that it should take very positive action on the Palestine question. Our suggestion is, however, that we should concentrate on procedure rather than substance. Concretely we suggest the following:

(a) The Assembly should decide to keep UNEF in position along the demarcation line and extend this function to include the demarcation lines between Israel and all its Arab neighbours. Of necessity this would mean that UNEF should operate on Israeli territory as well as in the Arab countries concerned.

(b) UNEF might be given specific functions in the Gaza Strip and at the entrance of the Gulf of Aqaba.

(c) The Secretary General should be authorized to explore through private consultations with the parties not only means of maintaining order in the area but of bringing about a settlement.

(d) To relieve him of some of the responsibility the Secretary General should have an Advisory Committee.

8. As in the case of the earlier resolutions on the current MidEast crisis, the one we are suggesting should be not too precise. To define exactly what UNEF should do along the demarcation line or in other areas and to attempt to give the Secretary General and his Advisory Committee precise terms of reference might destroy the whole effort, because it would lead to a full debate on the substance of Arab Israeli differences. This we should try to avoid for the time being mainly because of the Arab state of mind.

9. It may be argued that what we are suggesting is merely a return to the status quo. This is far from our intention. We believe that UNEF had a great deal to do with the favourable developments in the Suez crisis. It paved the way not only for the withdrawal of foreign forces and the clearing of the Canal, but an early resumption of serious negotiations. It can serve a similar purpose in Palestine and at the same time enhance the prestige of the UN, an enhancement which may be very necessary if Arab Israeli differences are to be resolved under UN auspices.

10. It will also be argued that all we are suggesting would play into the hands of Nasser; this would restore his confidence and make him more difficult to deal with. We certainly agree that one of the results would be to strengthen Nasser's position; we do not, however, regard this as necessarily being evil. It seems to us that in any settlement of Arab Israeli difficulties the West would have to come to terms with Nasser. It would be easier to do business with a confident Nasser, whose confidence was based on a faith in the UN led by the Western Powers and particularly by the USA. There is, in addition, the psychological impact of the military invasion of Egypt on the Arabs generally. Other Arab leaders may have wished to see the downfall of Nasser, may have secretly hoped that the combined invasion would have that result. But since it has not had that result, in matters relating to Israel all the Arabs can be expected now to rally to Nasser's side. This again would not necessarily be a bad thing, because Arab Israeli differences could more easily be resolved if the Arabs were united under a hardheaded leadership. The principal tasks would then be to come to terms with that leader, that is, Nasser.

11. The Israelis will be dismayed at this approach. They, however, must learn that hard lesson that military retaliation does not pay before any lasting settlement can be reached in the MidEast. They will be exasperated at the thought of having to delay the negotiations on substance, having to allow UNEF to control the demarcation lines. During this difficult period, however, the Israelis can be assured that we and others are earnestly working for a just settlement in the MidEast and they must be persuaded by whatever means to cooperate. It will be a painful process but no more painful nor dangerous than the impasse of the past eight years. The position may be considerably eased for Israel if in the evolution of a Suez settlement some formula can be reached for allowing at least cargoes, bound to and from Israel, to proceed through the Canal.

12. The Secretary General will have the thankless task of sounding out the parties on questions of substance. He will however have the help of his advisory committee (which

for easing the adoption the new Assembly resolution could be the same body now in existence). On substance, we think that the various issues which make up the Palestine question proper may have to be tackled in a coordinated manner but not necessarily in a package as some people have been suggesting. As a quite separate venture there might be a general plan for assisting in the economic development of the area, a scheme which would be closely related to the oil, water and other resources and which would have the effect of softening up the Arabs who feel that they have been left out of the general plans for economic development. This approach on the economic front might well ease the refugee problem in a large and practicable way. Especially if the Israelis could be prodded in some token move on refugee repatriation and compensation, these moves could produce conditions most favourable to tackling the toughest nut of all, the territorial settlement.

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202. L.S.L./Vol. 219

Note du secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Secretary of State for External Affairs to Prime Minister

SECRET Ottawa, December 18, 1956

THE UNITED KINGDOM AND THE SUEZ INTERVENTION

During the week I was away from Ottawa I had discussions with Butler, Lloyd and Macmillan — in the first two cases, long and remarkably frank discussions — about British policy leading up to intervention in Egypt. Apart from Eden himself there is no one in the Government, I suspect, who could add much to the information I received. Even in the case of the Prime Minister, I doubt that I would learn much more from him about his views and actions than I got from his chief collaborators who have indeed been almost embarrassingly frank in discussing the part that their leader has played in recent unhappy developments.

There is no doubt in my mind now that the whole ill-conceived and ill-judged enterprise, at least on the British side, was Eden's. Macmillan was an active and willing collaborator; Lloyd a not unwilling one at the beginning, a loyal supporter throughout, but now a somewhat disillusioned and defeatist defender; Butler, whatever he may say in public, a doubtful fellow-traveller, who is now not only willing but anxious to voice his unhappiness at being on the journey at all. But Eden was the active, determined and confident leader of the enterprise, showing qualities of vigour and resolution worthy of a better cause.

It is, I think, safe to say that his colleagues — or at least many of them — feel that the failure of the policy should result in the departure from office of its author; a feeling that is reinforced by growing doubts of his physical and temperamental suitability to face the problems ahead.

It is a sad reflection on the judgment of those responsible that only now are they beginning to realize the fact that failure was likely from the outset and that the consequences of failure, economically and politically, would be heavy and hard to bear, or that as a result there would be a strong temptation to throw the blame for such failure on others, on the United States, or on the United Nations, or on fate! Yielding to this temptation, however, puts an extra strain on the alliance and indeed on the whole postwar effort for collective security and international organization. The process from official to popular disillusionment and frustration, has gone further in France than in England; indeed it is already deep and dangerous in the former country where it has not yet expressed itself in political action only because no one at the moment wants to take on the task of replacing a socialist government which is carrying out "right wing" policies — at least in foreign affairs.

Mention of France brings up the question whether there was collusion between London and Paris on the one hand and Israel on the other, in respect of the latter's attack on Egypt. The information that I have received confirms my belief that in so far as France is concerned, they knew in advance of the Israeli move and, indeed, sent in help, particularly aircraft, just before it took place. The situation is different, I think, in regard to the United Kingdom. It is true that military plans, beginning in August after the nationalization of the Canal, had been worked out in collaboration with the French for an attack on Egypt, but that was a normal preparation for a contingency which might arise but which certainly had not been decided on. I was assured categorically by Selwyn Lloyd that they did not know in advance of the Israeli decision and had done nothing to influence that decision or assist it by promises of military support. He assured me also that the famous meeting in Paris between Eden and himself on the one side, and Mollet and Pineau on the other, did not discuss military plans to intervene in Egypt on the assumption that the Israelis were about to make a move. I think that his assurances in this regard should be accepted, even though, as he admitted to me, they had been less than categorical in dealing with the charge in the House of Commons. Lloyd told me that their great worry before the Israeli attack was that it might be directed against Jordan, not Egypt, in which case, ironically enough, the British would then have had to intervene, and probably with Egypt, on behalf of Egypt's and their own ally. When they realized that Israeli mobilization was directed not against Jordan but against Egypt (and they were only sure of this a day or so before the attack), their relief was so great that the expression of it may have left them open to the suspicion that they had themselves changed the direction of Israel's attack and given an indication of support if that change were made. There is no doubt, of course, whatever may be the situation in regard to collusion, that the British and the French were quick to exploit the situation by an intervention which was in effect and probably in intention directed against Egypt rather than Israel.

The British still vigorously defend that intervention; in public on the ground that it saved the Canal from even worse damage than would have occurred (this seems to fly in the face of all the evidence), and also because it "galvanized the United Nations into action", even though they tried to keep the U.N. out of it. This latter argument, which must have been a rationalization after the event, is used more and more often and it is one that Lloyd dwelt on in his statement to the Council. However, it made little impression. There is the other argument that a Russian-Egyptian plot was nipped in the bud; also mentioned by Lloyd to me in Paris and by Butler in London. They do not, however, seem to speak with much conviction on this matter, at least in private.

Little is said about what may be the real, less publicized reason for the action, to destroy Nasser, and no one was able to give me any satisfactory answer to my question: "If you had destroyed Nasser, who could have taken his place and would you be better off?" I mentioned on one or two occasions the point that if the destruction of Nasser was the objective, they should have given the Israelis two or three more days to complete the military job which would probably also have resulted in a political crisis in Cairo, then the British and French could have taken the lead in the United Nations in a move to push the Israelis back. Both Butler and Lloyd indicated to me that this was where they made a big mistake, but David Ormsby-Gore, who is Lloyd's Parliamentary Private Secretary and who was present during my final talk with Lloyd last Saturday night at the British Embassy in Paris, would not accept this judgment. He was positive that if the Israelis had been allowed to go on fighting, all the Arab states would have intervened militarily at once and the conflict would have spread all over the Middle East.

There is one somewhat depressing matter that came to light in my discussions, namely, the inadequate and, at times, even misleading nature of British, and, I suppose, French military and political intelligence. On the political side there apparently was no feeling that the consequences of their military move would be active United States and Asian-Commonwealth opposition, or that the United Nations would be likely to take such a strong stand. This, of course, may have been due to the fact that Eden and the very, very few people in London who were in on the decision, and this included only two or three Cabinet Ministers, were so preoccupied with their planning in those last few hectic days that they had no time adequately to consider the political results, even if the political intelligence had been available to them. On the other hand, there is some evidence to indicate that they were completely misled about the possible reaction in Washington. This they are inclined to blame on Eisenhower and Dulles, whose words, they feel, during the weeks preceding the crisis had led them to believe that the United States Administration would not take a very harsh line in opposition. Butler and Lloyd are particularly bitter about Dulles' misleading role in this respect.

As far as the military intelligence is concerned, this seems to have been very inadequate, as indeed was military planning and action. Even now there is a good deal of military intelligence which has had the effect of misleading people like Lloyd on the results of the action. Lloyd was frankly disbelieving when I told him that we had impressive evidence that there had been far more damage to life and property in Port Said than the British were willing to admit, and that the behaviour of the troops, especially the French, had been bad in so far as looting was concerned. Also, when I said that our Embassy in Cairo had first-hand evidence that there had been bomb destruction in Alexandria, including the Presbyterian Church, he thought that I must be mistaken. When I assured him that I was not, he said that orders had been given to the RAF not to drop bombs on Alexandria at all, and he could not understand why these orders were not carried out.

Perhaps I should add a word about the four leading British characters in this drama — Eden, Butler, Macmillan, Lloyd. My impressions in three cases are drawn from my own observations, and in the fourth, Eden, from what I heard about him from the others. Incidentally, it is strange — and a shade unhealthy — that his colleagues are so willing, almost eager, to discuss the condition, political, physical and mental, of their chief. I know that their remarks to me were very personal and confidential and meant to be considered as such, but after all, I *was* a member of another Government and they *were* talking about their own Prime Minister. I should exempt from this suggestion of impropriety, Harold Macmillan, who was more inclined to worry about his own woes and his own condition, present and future, than those of his leader. Also, he has been more whole-heartedly in support of Eden's policy than the others. Lloyd also showed some care in his references to the P.M., but made it clear that his confidence in Eden's judgment has been badly shaken, and that he does not think much of the way he conducts Cabinet or Government business. Lloyd, of course, has had a particularly difficult role to play opposite Eden, for the latter still considers himself to be the Foreign Minister, in fact, and Lloyd to be a kind of Minister of State. Lloyd himself is in a depressed and exhausted condition which may also account for some of his pessimistic views about his colleagues. He told me emphatically that he could not stand the strain much longer and would be resigning the Foreign Office in a few weeks. I rather believe that he thinks the P.M.'s tenure of office will not be much longer.

It is Butler, however, who is the frankest commentator on the personalities and policies of the P.M. and his colleagues. Indeed, his comments to Mr. Robertson and me were so frank that they should not be put down even in a personal report. They were perhaps as revealing about Butler as they were about the men of whom he was talking. He is a strange character, indeed, Butler, covering a devious subtlety by an appearance of childish candour, and a tough appreciation of his own interests by an appearance of disinterested concern for duty alone. He likes to appear almost fey at times but I am sure he can be hard and practical enough when necessary, indeed his record makes this clear.

It is unfortunate, I believe, that at this terribly difficult and indeed decisive moment in British history, the Prime Minister should be one who has lost so much ground politically and physically; and his chief associates two such complicated and unclear personalities as Butler and Macmillan.

I am satisfied, however, that the present "set up" will not last and that changes of personalities as well as policies are in the offing.

My week in London and Paris has persuaded me that both these results are desirable.

L.B. PEARSON

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203. DEA/50366-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], December 18, 1956

UNEF: CANADIAN CONTRIBUTION

Attached is a copy of the memorandum which I sent you earlier today, paragraph 2 of which reports on the position which the Department of National Defence is planning to adopt on the request of the United Nations (made initially by Major-General Burns) that Canada provide an Army mobile reconnaissance unit for service with the United Nations Emergency Force.

2. I understand that Mr. Campney may raise this question tomorrow at either the Cabinet Defence Committee or the Cabinet meeting. It would be desirable for a decision to be taken tomorrow as the United Nations Secretariat is pressing us urgently for an answer.

3. If this question is discussed tomorrow, I recommend that you urge that the Canadian Government comply, if at all possible, with this request.[168]

J. L[ÉGER]

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[168] La question n'a été discutée ni par le Comité du Cabinet sur la Défense ni par le Cabinet en décembre. Elle est restée apparemment en suspens jusqu'à ce que le ministère de la Défense nationale puisse se pencher sur la question de la nécessité d'une unité de reconnaissance. Se reporter au document 224.

This was not discussed by either the Cabinet Defence Committee or the Cabinet in December but was apparently held over until the Department of National Defence could explore in detail the need for a reconnaissance unit. See Document 224.

[PIÈCE JOINTE/ENCLOSURE]

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, December 18, 1956

UNEF: CANADIAN CONTRIBUTION

In case you are asked a question at your press conference this afternoon concerning the Canadian contribution to the UNEF, I attach a copy of the press release issued by the Acting Prime Minister on December 10th. I attach also a copy of telegram POLEG 1649 from the Permanent Mission in New York, following receipt of which Mr. Howe authorized the issuance of the press release. Paragraph 1 contains the text of the letter of December 10th to the Permanent Mission outlining and endorsing General Burns' request concerning an alternative Canadian contribution to the UNEF. You may be asked about this letter, the text of which has not been made public to my knowledge, since the delay in the issuance of the Canadian Government's press release was explained by the fact that we were awaiting a formal request from the Secretary-General.

2. The difficulty about the Secretariat's letter of December 10th is that it includes the request for an Army mobile reconnaissance unit, which is still under active consideration by the Department of National Defence and has not been made public. We asked the Deputy Minister of National Defence about this at noon today. Mr Miller said that the Army has scout cars, in the militia and in 1's and 2's in active regiments, but no reconnaissance units. If Canada were to meet this request, therefore, we should have to make up and train a unit, which would be a lengthy process. In other words, we could provide the desired unit but it would have to be done in a makeshift way. Thus it is the hope of the Department of National Defence, of which we have not yet been informed officially, that the United Nations will turn to some other member government which has reconnaissance units in being. Dr. MacKay just called me to say that if we do not provide this unit UNEF will have to turn to the Yugoslavs.

3. Our press release of December 10th states that the Canadian Army component will be despatched with its vehicles and equipment in HMCS *Magnificient* before the end of December. The schedule for *Magnificient* has not yet been announced by the Department of National Defence; in fact we do not know whether it has been definitely decided. We have learned from the RCN, however, that it is proposed that *Magnificient* should sail from Halifax on December 28th, arrive at Port Said on January 10th and sail from there on January 20th.

J. L[ÉGER]

204. DEA/50366-40

Le chef de l'état-major général
au commandant de l'unité de base canadienne au Moyen-Orient

Chief of the General Staff
to Commander, Canadian Base Unit, Middle East

CONFIDENTIAL [Ottawa], December 18, 1956

COMMAND INSTRUCTIONS

General

1. As a result of the recent hostilities in the areas of Suez and Sinai, the United Nations has authorized the formation of the United Nations Emergency Force to secure and supervise the cease fire which has occurred. The Canadian Army has provided certain units for the United Nations Emergency Force.

Appointment

2. You have been appointed Commander, Canadian Base Unit, Middle East, and Senior Canadian Army Officer, Middle East.

Composition

3. In addition to the Canadian Base Unit, Middle East, the Canadian Army units in the United Nations Emergency Force are:

No 56 Canadian Signal Squadron, RC Sigs
No 56 Canadian Transport Company, RCASC
No 56 Canadian Infantry Workshop, RCEME

Your responsibility for these units is set out in paragraph 9 below. You should note that the Canadian Army Transit Officer, UNEF Staging Area, Italy, although carried on the establishment of and administered by the Canadian Base Unit, Middle East, is *not* part of the United Nations Emergency Force. A copy of his Terms of Reference is attached as Appendix "A".† (Copy No. 1 only)

Role

4. The role of the Canadian Army units in the United Nations Emergency Force will be to undertake such duties in connection with securing and supervising the cessation of hostilities as may be ordered by the Commander, United Nations Emergency Force.

Status

5. The Canadian Army units will form part of and be under the operation command of the United Nations Emergency Force, but will remain under the administrative control of Army Headquarters.

6. The principle of the separate entity of the Canadian Force will be maintained at all times insofar as it is consistent with the composition and normal tasks of the Force. In this connection, while the grouping of the Force is a matter for the operational commander to decide, it is anticipated that, in the normal course of operations, tasks will be so allotted that the identity of Canadian units will be readily preserved.

7. If, at any time other than when required temporarily by urgent operational necessity, it appears that the principle of maintaining the separate entity of the Canadian Force is likely

to be violated, you will represent your views to the Commander, United Nations Emergency Force, and immediately report the matter to the Chief of the General Staff.

8. The legal relationship between the Canadian Forces and the other forces of the United Nations Emergency Force has not yet been established and it will be necessary for you to work out a suitable relationship. "Regulations for the United Nations Emergency Force", setting forth the status, provisions for command, administrative arrangements and rights and duties of members of the United Nations Emergency Force, will be issued by the Secretary-General of the United Nations in the near future. Until these regulations are issued, members of Canadian Army units in the United Nations Emergency Force will be subject only to Canadian military law, and all offences alleged to have been committed by them, whether military or civil, will be dealt with by Canadian military courts. Should a member of the Canadian Army units be arrested by the civil authorities or charged before a civil court, you will immediately take steps to arrange, if possible, for his release or for the withdrawal of the charge. Should you not be able to accomplish this, you will at once report the matter to the senior United Nations representative in the area, with a request that he take such steps as are possible to effect the release of the man concerned, or to have the charges withdrawn. You will at the same time report the matter with full particulars by message to Army Headquarters.

Command, Discipline and Administration

9. You will be responsible for the discipline and purely Canadian administration of all Canadian Army troops in the United Nations Emergency Force. In this connection:

(a) pursuant to QR(Army) 1.13, the Minister of National Defence has designated you as an officer to have and to exercise the powers and jurisdiction granted by QR(Army) to an Officer Commanding a Command;

(b) administration of the Canadian Army units will be in accordance with existing instructions and such other instructions as may be communicated to you from time to time.

10. In order to assist you in the execution of your duties, an officer in the rank of lieutenant-colonel has been appointed as your Second-in-Command and has been designated as a Commanding Officer, as defined in QR(Army) 1.02 (XVII). In the event of your temporary absence, your duties as Commander, Canadian Base Unit, Middle East, and Senior Canadian Army Officer, Middle East, will devolve on this officer.

11. Various other matters, including the rendering of reports and war diaries, and the procedure with respect to honours and awards, will be dealt with in separate instructions.

Special Duties Regarding the Organization and Equipment of the Canadian Army Units in the United Nations Emergency Force

12. As soon as possible after arrival in the Middle East, you will make a survey of all aspects affecting the Canadian Army units of the United Nations Emergency Force in relation to their task in the United Nations Emergency Force and report your findings, together with any recommendations which you may have, to the Chief of the General Staff.

Channels of Communication

13. No limitation is placed on your direct channel of communication on any matter with the Chief of the General Staff.

14.(a) Routine correspondence of an administrative or technical nature only may be despatched direct between Army Headquarters and the Canadian Army units of the United Nations Emergency Force.

(b) Correspondence other than the above will be sent to the Canadian Base Unit, Middle East.

Supercession and Effective Date

15. These Command Instructions will supersede those issued to Lt Col CP McPherson, CD, QOR of C under reference HQS 2001-120/41 (DMO&P) dated 12 Nov 56,† to Lt Col GK Wade, DSO, CD, RCE under file reference HQS 2001-120/41 (DMO&P) dated 17 Nov 56,† to Lt Col GK Wase, DSO, CD, RCE, under file reference HQS 2001-120/41 (DMO&P) dated 11 Nov 56,† and message OPS 214 dated 20 Nov 56,† and will become effective the date you arrive in Egypt.

H.D. GRAHAM
Lieutenant-General

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205. DEA/50153-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], December 20, 1956

JEWISH REFUGEES

Since you will be lunching with Mr. Pickersgill today you may wish to have a note on the relationship of the Jewish refugee situation to the problem of a Middle Eastern settlement, both discussed in the light of Canada's national interests.

The Canadian Jewish Congress asked the Canadian Government during Mr. Pickersgill's absence if it would permit the Canadian Jewish Congress to sponsor as immigrants to Canada some of the Jews uprooted in Egypt as a result of Israel's invasion. Mr. Harris, as Acting Minister of Citizenship & Immigration in his reply said in part that while he did not minimize the plight of Jewish residents of Egypt their position was regarded as being "somewhat different from that of Hungarians who fled from their homes under desperate conditions and have no country (in) which they might legitimately claim refuge".

The last clause of the passage quoted above appears to be a reference to Israel, whose government has said that it is preparing to receive 20,000 Jewish refugees from Egypt.

The Jews in Egypt have been noted for the detachment of their attitude toward Israel. They are conscious of the strains in the Middle East created by Israel's policy of "the ingathering of the exiles" which has as its corollary the exclusion of almost a million former inhabitants of the country. They know that every fresh wave of Jewish immigration to Israel adds to the anger of the stateless refugees, the intransigence of Arab Governments and the problem of security in the Middle East. For this and other reasons the majority are apparently not inclined to go to Israel to live but are heading westward wanting to get away from the Middle East altogether. Recent press reports show a similar disinclination on the part of Hungarian Jews to accept immigration to Israel as a solution of their problem, although Israeli immigration agents in Austria and elsewhere have been offering special facilities for Hungarian Jewish refugees. If these reports are to be trusted, the proportion of those agreeing to go to Israel has been very much less than ten per cent.

The immediate question is whether or not it is to our interest to insist that Jewish refugees should look to Israel for help whether they wish to do so or not.

One of the basic problems which confronts us in trying to work out a peace settlement for Palestine is the fact that Israel is too small to accommodate all displaced European Jews, while the very existence of Israel is having the effect of displacing, one after another, long-established Jewish communities in the Arab world which formerly felt no need for migration. Israel itself suffers from claustrophobia already, and if it becomes necessary for the United Nations to surround it by a protective force the sense of being hemmed in may become even more acutely uncomfortable, particularly to the activist elements in Israel who have been counting on pushing the eastern frontier to the Jordan River and want as rapid an increase of the population as possible in order to justify this expansion of territory.

We shall be sending you shortly a memorandum commenting on the plan for a Palestine settlement published in *The Observer* on December 16. We see many virtues in the territorial arrangements proposed, which should reduce a number of standing causes of irritation. They appear practical and sensible. But there seems to be something illogical about our putting a great deal of effort into the task of bringing peace to the Middle East through the United Nations if our immigration policy is based on the assumption that all Jewish refugees should go to Israel, whether they wish to do so or not, when we know that the increased pressure of immigration to Israel will make the achievement of a peace settlement a longer and more costly operation for the United Nations.

What we have in mind is that a sensible principle to accept would be that Jewish refugees wishing to go to Israel should do so and that those not wishing to go to Israel should be accommodated elsewhere in the free world, including Canada. We have the offer of the Canadian Jewish Congress to sponsor a certain proportion of Jewish immigrants. If it is accepted the expense of settlement and rehabilitation will be borne by the CJC. A good proportion of the immigrants will have above-average intelligence and will actively help in the development of the country. Not one of them will be allowed to become a charge on federal, provincial or municipal funds. Their admission to Canada will help to relax the tensions in the Middle East which we are trying to counteract through the United Nations. If we do not in this way help to relieve the pressure on a country which is only a little more than half the size of Lake Erie, we may have to lend Canadian forces to the United Nations to keep peace in the Middle East for a longer period than would otherwise be necessary. In Canada's national interests it might therefore be good policy to accept the offer of the Canadian Jewish Congress.[169]

J. L[ÉGER]

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[169] Note marginale :/Marginal Note:
I talked to Mr. Pickersgill along the above lines — which represent his own views. L.B. P[earson]

206. L.B.P./Vol. 85

Le secrétaire d'État aux Affaires extérieures
au premier ministre

Secretary of State for External Affairs
to Prime Minister

PERSONAL AND CONFIDENTIAL Ottawa, January 9, 1957

I am sending you a copy of a personal and confidential communication from Arnold Heeney which paints a very depressing picture of the influence exercised by Canadian newspapers on their correspondents in Washington so that the latter will send despatches on American policy (this was particularly true of the Suez crisis) which would correspond with their editorial opinions in Canada.[170]

L.B. PEARSON

[PIÈCE JOINTE 1/ENCLOSURE 1]

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

PERSONAL AND CONFIDENTIAL Washington, December 27, 1956

Dear Mike [Pearson],

One of the distressing features of the Suez crisis from our point of view was the way in which local correspondents of Canadian newspapers were dealt with by their editors in Canada.

I asked Bob Farquharson to give me a note of his experience. This I am enclosing. It reveals both a shocking bias against the United States and, even worse, an unwillingness to hear and print the truth when it is unpalatable.

When we next meet, I should like to have a chat with you on this delicate and difficult subject.

Yours sincerely,
A.D.P. HEENEY

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[170] Note marginale :/Marginal Note:
It is a pretty grim but no doubt true picture. L. St. L[aurent]

[PIÈCE JOINTE 2/ENCLOSURE 2]

Note de l'agent pour information de l'ambassade aux États-Unis pour l'ambassadeur aux États-Unis

Memorandum from Information Officer, Embassy in United States, to Ambassador in United States

CONFIDENTIAL [Washington], December 21, 1956

As a group, the Canadian correspondents in Washington have never had as difficult a time as since the British initiative in the Middle East. Almost everyone of them has been under criticism from their home papers on two counts:

1. First they were accused of being anti-British;

2. Secondly, they are now accused of being pro-American.

2. The strange thing is that almost all of them, including the ones who seemed to me before to have been unfairly anti-American, are quite upset about anti-Americanism in Canada.

3. John Walker, the Southam representative, has had criticism on both the counts mentioned from Edmonton, Calgary and Hamilton. Some of his papers just threw away his copy. The editors seem to go on the basis that if the material he wrote from Washington and from the United Nations did not agree with their emotions it was wrong and should be edited accordingly.

4. George Kitchen of Canadian Press has had complaints relayed to him from Head Office but so far has been supported by his editors. The very fact that he knows of the complaints is, I think, a form of sanction.

5. Don Minifie complains that almost none of his material has been published by the *Toronto Telegram*. He has had no trouble whatever with the CBC. He has drawn letters from listeners both complaining and praising his stand.

6. Ed Hadley of the *Montreal Star* who, though an American, is the Dean of the Canadian correspondents has been quite upset for several weeks by the feeling that he is out of step with his office. He told me yesterday that there had been a great deal of criticism within the *Star* that he was pro-American.

7. Philip Deane of the *Globe and Mail* has had a most uncomfortable time and has almost given up attempting background pieces for the *Globe and Mail*'s editorial page. Dalgleish made a special trip to Washington to convert Deane to *Globe and Mail* doctrines. Deane has a two-year contract with the *Globe and Mail* which the *Observer* is most anxious he carry out but the *Observer* has told him that if the going gets too rough he can drop out and will be accepted back in the *Observer* fold. He now writes for both papers with the *Globe and Mail* paying about 7/8 of his salary. He is still carrying the flag of his news integrity flying at the masthead and says he will not haul it down. He will continue to write what he feels regardless of the *Globe and Mail*'s views.

8. I have written this at length because I feel it represents a situation that is serious. Except for the men that I have mentioned, Canadian coverage of United States news is almost entirely in the hands of United States news agencies.

9. I feel we should plan in some way to help the Canadian group to do better reporting in Canada.

R.A. F[ARQUHARSON]

207. DEA/12479-B-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], January 11, 1957

UNEF DRAFT REGULATIONS — RIGHT OF APPEAL BY NATIONAL COMMANDERS TO THEIR GOVERNMENTS

A question has arisen with the Department of National Defence as to whether or not the Senior Canadian Officer serving with UNEF should have the right of appeal to the Canadian Government if he is given an operational instruction by the Commander of UNEF which, in his view, necessitates the taking of action inconsistent with the purposes for which UNEF has been constituted.

At the request of the Department of National Defence we sent a telegram [LL31 of 21 December]† to New York instructing the Delegation to make the suggestion in the Military Adviser's Committee that such a right of appeal be included in the draft regulations for the UNEF which are now under discussion.

In paragraphs 6-10 of telegram Poleg 24 of January 3,† (attached) the Delegation expresses some apprehension about this suggestion and asks that we reconsider our instructions to them. Dr. MacKay points out that the question of such a right of appeal is an extremely delicate one. He feels that the functions of UNEF are mainly political in character and that in the field of operations the Commander UNEF should be the sole interpreter of the directive given to him by the General Assembly. At the same time Dr. MacKay would agree that the Senior Canadian Officer could have a right of appeal on certain purely military matters.

Dr. MacKay's comments have been communicated to the Department of National Defence, and Mr. Miller in a letter dated 9 January† (attached) has commented on this point as follows:

> "The point is made in the telegram under review that the operations of the UNEF are of a type different to the operations of the Korean Force and that accordingly the arrangements concluded for the Korean Force should not be considered as precedent for the UNEF operation. The difference is entirely appreciated and it is because of that difference that such a large measure of control over the Canadian contingent has been yielded to the Commander, UNEF. The prime consideration has been that the UNEF is engaged in action which Canada fully supports and which, indeed, Canada took a major part in initiating. So long as the role of the UNEF is limited to complying with its present terms of reference as reasonably interpreted, it is agreed that the Commander of the Canadian contingent should have no right of appeal to the Canadian Government against orders emanating from the Commander, UNEF. We have great confidence in the good judgment of the present Commander. It is possible, however, that in the future the then Commander might issue orders to the Canadian component inconsistent with the role assigned to the force. In such circumstances the reason for having vested complete control in the Commander, UNEF, would disappear and it would seem to me to be imperative that the Canadian Government be given an opportunity to reassess the situation.

"If the right of appeal in the circumstances that I have outlined is not contained in the regulations or elsewhere, it may conceivably result in the Canadian Commander being required to commit his troops to a course of action the consequence of which might be serious in the extreme and completely unrelated to the purpose for which the UNEF was despatched to the Middle East. The Canadian Commander would in that case have no choice but to take that action without prior consultation with the Canadian Government. I consider that this state of affairs would be extremely serious and that we should do all that we can to press for the right of appeal substantially as outlined in your telegram LL31 of 21 December."

At the conclusion of his letter, Mr. Miller says that he understands that his Minister feels strongly on this matter and he suggests that if you are not agreeable to the Canadian Delegation being instructed to press for this right of appeal we might hold up further instructions to Dr. MacKay pending Mr. Campney's return.

While I can understand Dr. MacKay's concern about this question, at the same time I do not think that anybody could take exception to the idea itself that national contingents should not be required to carry out operational instructions inconsistent with the purposes of the UNEF. Where the difficulty arises, of course, is that if such a right of appeal is written into the regulations it may be interpreted in some quarters so as to cast doubts on the complete independence of UNEF from the control of participating governments. On the whole, however, I think that there would be no harm in asking the delegation to put forward the idea and see how it is received. For all we know, some of the other participating governments may also wish to reserve such a right of appeal for their national commander.[171]

If you agree I am attaching for your approval a telegram† to the Delegation instructing them to make the suggestion to UN officials that provision for this right of appeal be made either in the regulations or under some other arrangements.[172]

J. L[ÉGER]

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[171] Note marginale :/Marginal Note:
I agree L.B. P[earson]

[172] Le 20 février 1957, le Comité consultatif a approuvé le quatrième projet du Règlement de la FUNU, où il n'est fait aucune allusion à des voies de communication directe entre les commandants et leurs gouvernements respectifs. Selon Mackay, « Dr. Bunche called attention to this and stated that there was an underlying assumption that the senior officer of each national contingent should be entitled to communicate directly with his own government. He referred to our comments and after the meeting he confirmed that the Secretariat would raise no objections if instructions to the Canadian contingent should contain some reference to a right of appeal or to direct communication on some matters of administration.» Voir délégation canadienne à Ottawa, lettre N° 74, 20 février 1957, MAE 12479-D-40.

On February 20, 1957 the Advisory Committee approved the fourth draft of the Regulations for the UNEF, which contain no reference to direct channels of communication between national commanders and their governments. MacKay reported that "Dr. Bunche called attention to this and stated that there was an underlying assumption that the senior officer of each national contingent should be entitled to communicate directly with his own government. He referred to our comments and after the meeting he confirmed that the Secretariat would raise no objections if instructions to the Canadian contingent should contain some reference to a right of appeal or to direct communication on some matters of administration." See Canadian Delegation to Ottawa, Numbered Letter 74, February 20, 1957, DEA 12479-D-40.

SECTION C

RETRAIT D'ISRAËL DE GAZA ET DU SINAÏ
ISRAELI WITHDRAWAL FROM GAZA AND SINAI

208. DEA/50385-40

Note de la Direction du Moyen-Orient
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Middle Eastern Division
to Under-Secretary of State for External Affairs

SECRET [Ottawa], January 2, 1957

APPROACH TOWARDS A MIDDLE EAST SETTLEMENT

Before the Minister left for the NATO meeting early in December he said he hoped that by the end of the year we would be able to let him have a paper setting forth ideas on a Middle East settlement.

2. We cannot pretend to have reached the point of being able to submit a coherent plan for a general settlement, although we are, of course, continuing to study the various substantive proposals which have been put forward recently and in other years. For the Minister's more immediate purposes we have been considering what initiatives the Canadian delegation might usefully take in the General Assembly which, as you know, resumed its regular session yesterday. The attached memorandum reviews the reasons why we believe that the most fruitful avenue of progress for the moment lies in the realm of procedure rather than a substance. The memorandum suggests that our attention should be directed towards the establishment of the United Nations machinery best designed to facilitate progress towards a settlement and towards the preservation of the greatest possible degree of political and military stability in the interim period during which a settlement is being sought.

3. To help achieve these objectives it seems to me to be of cardinal importance that the future of the United Nations Emergency Force should be examined without delay in order that, either in its present or in some modified form, it should continue to serve as a stabilizing factor in the area. There have been some disturbing signs that the Egyptians may wish to get rid of the Force as soon as the withdrawal of Israeli forces behind the 1949 armistice lines has been completed. We should, I think, do our best to forestall any such development by helping to bring home the point to the Egyptians that their own interests would be served by the continued presence of the Force or of something similar to it, under another name, along the Egyptian frontier with Israel. If the Egyptians are to be convinced of this, it would probably also be necessary to obtain the agreement of the Government of Israel to the stationing of part of the Force on Israeli territory. If progress along these lines could be made with the Egyptians and Israelis, it might conceivably lead the way to corresponding arrangements being made on the borders between Israel and its other Arab neighbours, particularly Jordan and Syria, or at least to a strengthening of the existing Truce Supervision machinery. The need for some such action is underlined by recent reports of renewed violence on the Israeli-Jordan border.

4. I should perhaps add one final point. The attached memorandum was prepared before we had received any official information concerning the new developments in United States policy for the Middle East. We shall, of course, be examining these developments

and the effects they may be expected to have on prospects for a settlement of the various problems of the area.

H.B. ROBINSON

[PIÈCE JOINTE/ENCLOSURE]

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET [Ottawa], January 1, 1957

APPROACH TO A MIDDLE EAST SETTLEMENT

A new element has been injected into discussions of a peace settlement between Israel and the Arab states by the announcement that President Eisenhower's administration will seek the approval of Congress for a two-year Middle East aid programme of over $400 million and for authority to use United States armed forces to repel Soviet aggression in the area if the President should consider this to be necessary. One of the purposes of this policy, as described in early press statements, is to provide a security screen behind which countries of the Middle East may work together in confidence on economic problems, thereby easing tensions and preparing the way for political settlements.[173]

The United States initiative outside the United Nations is intended to supplement United Nations action[174] to secure stable conditions in the Middle East. Coming as it does immediately after the withdrawal of British and French forces from Egypt, it is designed to provide the element of constructive leadership from a major power which was considered by many to be indispensable if the General Assembly is to take effective action toward remedying the conditions out of which the present international crisis arose.

There is, as you know, very wide agreement with the view you have expressed at the Assembly that there should be no return to the conditions of insecurity and violence which have characterized relations between Israel and its Arab neighbours in the past. Of the speakers who have supported your position in this regard Mr. Lange was perhaps the most succinct. He said, as you will recall, that a mere return to the fragile armistice arrangements which were meant to last at most for only a few months is not "a realistic policy". The present Government of Israel, placed in an extremely difficult position by the hostility of the Arab states, has been operating on the theory that a realistic policy must be one of considerable toughness, and that the only way to win recognition and respect from the Arabs is to exact in reprisal raids several Arab lives for every Israeli life taken by Arab infiltrators. As our delegation in New York has pointed out, that policy seems to have had the opposite effect of stiffening Arab opposition. It may also cost Israel the regard of some of the friends in other parts of the world on whom it has been depending for support. Thus the "realistic policy" required in the interests of peace in the area will have to be sought through other avenues.

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[173] La Maison-Blanche a fait la promotion, en tâtant le terrain, de la nouvelle politique de l'Administration américaine au Moyen-Orient (la « doctrine Eisenhower » comme on l'appellera par la suite) pendant la mi-décembre 1956 en menant une série de consultations auprès des alliés et des membres des deux partis au Congrès et en lançant quelques ballons d'essai auprès de la presse américaine. La politique a été officiellement exprimée le 5 janvier 1957, dans un message spécial que le Président a adressé au Congrès au sujet de la situation au Moyen-Orient. Voir *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1957*, Washington: United States Government Printing Office, 1958, pp. 6-16.
The U.S. Administration's new Middle Eastern policy, which was eventually dubbed the Eisenhower doctrine, was tentatively advanced by the White House in mid-December 1956 through a series of consultations with allies and members of both Congressional parties, as well as a number of trial balloons in the American press. It was given formal expression in the President's Special Message to Congress on the Situation in the Middle East on January 5, 1957. See *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1957*, Washington: United States Government Printing Office, 1958, pp. 6-16.

[174] Note marginale :/Marginal Note:
Yes — but it has had to be linked up with "cold war" considerations — exclusion of USSR from any participation in Middle East developments or consultations. L.B. P[earson]

We have been warned from all sides that this is not the moment to propose negotiations between Israel and the Arab states with a view to reaching a tolerance settlement. Even Mr. Comay, who is as anxious as anybody for negotiations to begin, has admitted as much in his letter to you of December 10. As the Canadian delegation in New York has put it, the Arabs give the impression that they are suffering from profound shock[175] and that they will require a period of convalescence before they can talk sensibly about Palestine. Mr. Heeney reports a senior State Department official as having said that in their present state of mind the Arabs are "simply not responsive to the normal types of pressure" when it comes to discussing a long-term settlement. On another occasion, in speaking of a Suez Canal settlement, Mr. Dulles himself said to Mr. Heeney that since the bombing of Cairo the Arabs have not been in a reasonable state. Our delegation in New York has warned us not to delude ourselves that Arab-Israeli differences can be approached with the same swiftness that has characterized United Nations action to secure either a cease-fire in Egypt or the resumption of efforts to secure negotiations for a Suez Canal settlement. The Foreign Office and the Quai d'Orsay take the same view. Mr. Nehru is not inclined to believe that negotiations would be productive now. The Arab states have officially taken the position that this is not an appropriate time to discuss the Palestine issue and have decided not to raise it themselves at this session. In Cairo an Arab League official warned Dr. Norman that in present circumstances no Arab leader would dare to negotiate directly with Israel. He thought the most that could be aimed at for the moment would be a condition of absence of war — a relationship between Israel and the Arab states similar to that which prevails between members of the Soviet bloc and members of the NATO alliance.

Fortunately, however, this does not at all mean that there is no hope of aid from the Arab-Asian members for an approach to a settlement through the United Nations at this session. At the very moment when the feelings aroused by the landing of British and French troops in Port Said and Port Fuad were at their height, the Muslim members of the Baghdad Pact announced on November 8 that at their Teheran meeting that week they had "emphasized the urgent necessity of solving once and for all the Palestine dispute between the Arab countries and Israel". They might perhaps find certain Asian and African states ready to follow them in this view if we could make discreet use in our discussions with the Afro-Asian delegations of the five principles which were the theme of the Bandung Conference in April 1955—(a) mutual respect for territorial integrity and sovereignty;(b) non-aggression;(c) non-interference in internal affairs;(d) equality and mutual benefit, and(e) peaceful co-existence.

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[175] Note marginale :/Marginal Note:
modified by profound relief and growing conceit & assurance? L.B. P[earson]

I have, of course, been wondering what we should do about the warnings we have received against proceeding too quickly toward a Palestine settlement at the present session of the Assembly. I had hoped that we might try to do something effective at this session and believe now that President Eisenhower's newly-announced policy may give us the opportunity in this regard which has hitherto seemed lacking.

What our missions have said about the present time not being propitious for negotiations looking toward a Palestine settlement has meant, I believe, that recent events have greatly increased Arab fears of Israel's intentions. It is these fears which have always been at the root of Arab hostility to Israel, and it is consequently at them that we shall have to look if we are to make an effective break with the past.

Part of the Arab fear of Israel seems to be associated with the strength and influence of Zionist organizations in the western world, which organize Jewish financial support for Israel and go to some trouble, particularly in the United States, to secure governmental action favouring policies of Israel which the Arabs consider detrimental to the interests of the Middle East as a whole. Whether it is true or not that Washington has allowed its policies to be unduly influenced by Zionist representations in the past, the point has always been that the Arabs believe the charge, and much of their destructive fear of Israel has stemmed from this belief. The Eisenhower aid programme is an intimation to the Arab Governments that the United States administration is now planning a better balance in the level of aid to Israel and to the Arab countries and that this better balance is considered to be in the interests of the United States as a whole, whether minority groups welcome it or not. We do not know yet how the Arab Governments will respond, but the aspect of the new policy which I have mentioned will not be likely to escape them and it should, I believe, have a moderating effect upon one of the causes of their fear of Israel.

I have an impression that we may count on the United States delegation to agree that for the moment we should turn our attention to choosing the best procedures for securing a settlement rather than to the substance of the settlement itself. The United States, though strongly in favour of a United Nations approach, is not planning to bring forward soon its own draft resolution on a Palestine settlement, since it is not likely to secure a two-thirds majority. A senior officer of the State Department has suggested that the best progress in the direction of a settlement might be made if the Secretary-General himself were to be authorized to sound out the parties through private consultations. The United States is prepared to leave much of the initiative to Mr. Hammarskjöld, will continue to support him fully, and will not propose measures to facilitate negotiations until the Secretary-General sees the need for them.

I am inclined to believe that it would be preferable if the Secretary-General were encouraged to begin private consultations without an Assembly resolution specially authorizing him to do so, since there is much to be said for avoiding a Middle East debate for as long as possible after the Christmas recess to allow passions to cool. The Secretary-General has shown deep interest in the possibility of mediating in the Palestine dispute, and during the three missions he undertook to the Middle East in 1956 gained detailed first-hand knowledge of what is required for the welfare of the area. It may be objected that he is carrying so heavy a load of responsibility already that he will be unable to conduct all the necessary preliminary conversations himself. With this possibility in mind it has been suggested that he should be given an advisory committee to help him during the initial phase.

On this point Mr. Hammarskjöld's own judgment should, I think, be our guide. Nevertheless, since the private conversations with government leaders must be of an informal and purely exploratory character, I think we should bear in mind the possibility that an advisory committee might be an embarrassment to him, since some of its members might press for information or interfere in other ways at moments when, owing to their extreme delicacy, the consultations require the direction of a single mind.

I have wondered if it might not be more helpful to encourage the Secretary-General, perhaps with the tacit agreement of influential delegations, to appoint a thoroughly well qualified person to devote his full time to the preliminary consultations if Mr. Hammarskjöld cannot do all the necessary work himself. This arrangement would have the great advantage of providing a higher authority, in the person of the Secretary-General, on whom the United Nations negotiator might call for aid at any critical juncture in the informal discussions. It might, however, have the disadvantage of requiring formal authorization by the General Assembly, which would give rise to the kind of debate I think we should try to avoid.

If there is merit in these suggestions, I suppose they would mean that the Canadian role in the renewed session of the Assembly should be primarily one of preventing premature initiatives, of smoothing the way for the Secretary-General to perform the work of mediation, and of using our influence with the delegations principally concerned in support of realism in working toward a settlement.

All observers seem to be agreed that a breathing spell is necessary, during which quiet will prevail in Palestine, before there can be any hope of working out a lasting peace settlement. In this connection wide interest has been taken in one aspect of the proposal made in *The Observer* on December 16 that the United Nations should purchase a corridor from Gaza on the Mediterranean to the Gulf of Aqaba, both Israel and Egypt yielding territory for this purpose. This plan provides that the United Nations corridor would turn eastward at the Gulf to cut across the southern tip of Israel and provide, for the first time since the creation of Israel, direct land communications between the two halves of the Arab world in Africa and Asia, and thus eliminate another major cause of Arab bitterness. Israel, meanwhile, would of course have free communication also across this part of the international corridor to the port it has built at Eilat on the Gulf of Aqaba. The corridor would be patrolled by a United Nations force. The suggestion has now been made that the functions of UNEF itself might be extended to include not only this responsibility but also the protection of the armistice demarcation lines separating Israel from Jordan, Syria and Lebanon. Such a proposal would, of course, require the consent of Israel and the three Arab states concerned to the presence on part of their own territory of the United Nations force. It would also involve a further resolution of the General Assembly.

In this regard I agree with Mr. Comay's suggestion to you that the way for the United Nations to proceed is one phase at a time. UNEF's functions in Gaza and at the outlet of the Gulf of Aqaba should be established first. This would not require a new Assembly resolution. In the Secretary-General's private consultations with the parties to the Palestine dispute he should meanwhile try to persuade all of them, for different reasons, that on a temporary basis UNEF may be able to provide the security they all require. Jordan, which is in the most dangerous position at the moment, faces the likelihood of an early withdrawal of the British subsidy and the protection that goes with it and should be particularly open to persuasion on that account.

Meanwhile the possibility exists that unless they can be persuaded that it would be in their own interest to retain UNEF as a barrier between themselves and Israel, the Egyptian authorities may be tempted to press for the withdrawal of the force. In this they could count on Indian and Yugoslav support, since the governments of the latter countries have said that their contingents will remain only so long as the Egyptians wish. We should therefore be on our guard against any effort to secure UNEF's dissolution. Indeed we should work immediately for the consolidation of UNEF along the Israeli-Egyptian armistice line, and preferably operating on Israeli as well as on Egyptian territory. In considering the future of UNEF, however, we should, I think, bear in mind the desirability of avoiding new Assembly resolutions early in the resumed session. The principle of extending the responsibilities of the Force to the armistice lines between Israel and its other Arab neighbours could not, of course, be implemented without a new resolution by the General Assembly.

We may suppose that neither Israel nor the Arab states would quarrel with the view that Canada has earned the right at the present session to interest itself as actively as any other member in the procedures by which more stable conditions may be established in the Middle East. In fact, Israel and the Arabs may well expect Canada to take some further initiative with this end in view. The Canadian delegation should therefore be able to take a lead in encouraging procedures which will avoid re-opening the substance of the Palestine issue during the eleventh session, consolidate the gains already made through the creation of UNEF, give Israel and its neighbours a sorely needed respite from violence, and enable the United States initiative outside the United Nations to divert the minds of both Israelis and Arabs into new channels while the Secretary-General is preparing the way for a settlement within the framework of the United Nations.[176]

J. L[ÉGER]

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209. DEA/11312-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 68 New York, January 8, 1957

CONFIDENTIAL. IMMEDIATE.

Repeat for information Washington, London, Paris and NATO Paris.

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi from Ottawa.

MIDEAST: ISRAELI WITHDRAWAL FROM SINAI

On January 7 at the request of Mrs. Meier the representatives of all the Scandinavian countries, Belgium, Netherlands, France, Australia, Canada, NZ, South Africa, Italy and Austria met to hear a statement of Israel's position on the withdrawal from Sinai. Earlier in the day the Israelis had spoken to a number of Afro-Asian representatives, excluding the Arab states. There had also been separate discussions with the UK and USA. Today the Latin American delegations will meet with Mrs. Meier. The object of this initiative on the part of Israel was to state its attitude towards withdrawal from the Gaza Strip and from the islands and that part of the mainland which dominates the entrance to the Gulf of Aqaba.

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[176] Note marginale :/Marginal Note:

This memo was prepared before we had received any official information on the new U.S. policy in the Middle East. The suggestions put forward here do not enter into conflict with this policy; on the contrary, they seem to complement one another. J. L[éger]

2. Mrs. Meier said that the main reason for giving the delegations concerned advance notice of Israel's attitude was to avoid a "serious situation" which would result if the UN should insist on an unconditional withdrawal behind the Egypt-Israel demarcation line. Israel forces were withdrawing but the Israel Government was carrying out the relevant provisions of the Assembly resolutions "with a heavy heart". Israel was apprehensive about what was going to happen once the withdrawal from Sinai was completed. Israel did not know how long UNEF would remain in the area or whether the Egyptians would return with military forces to re-establish the bases for fedayeen raids on Israel territory. The uncertainty of the situation was causing grave concern in Israel.

3. Mrs. Meier emphasized the economic importance to Israel of retaining access to the Gulf of Aqaba. As a result of Israel's occupation of the islands and part of the mainland, the Strait was open to the shipping of all countries. It was in fact and in law an international waterway. The illegal Egyptian blockade had been remedied. Moreover, the territory involved was unpopulated and had no value to Egypt other than as a base for hostile action against Israel, action which the UN had already condemned.

4. Mrs. Meier admitted that technically Israel was required to withdraw. The question was whether Israel should leave without receiving adequate assurance that the blockade would not be re-imposed. It was surely not the intention of the UN to permit Egypt to resume its illegal activity in the Strait. Israel would not regard as sufficient private assurances by Nasser that the blockade would not be re-imposed. There must be a public assurance and, as well, an *ad facto* demonstration that the UN would exercise its authority in the Strait. The Israelis had in mind that UNEF might be established on the islands and on the mainland and there might even be a UN naval patrol.

5. Mrs. Meier said that Israel had not yet been pressed to evacuate the Strait, but this was likely to happen soon. She stated categorically that unless adequate assurances were given Israel "would not be able to evacuate" the territory now occupied. Israel believed that the Strait should be an international waterway and in fact open to shipping of all nations. In order to avoid a crisis Mrs. Meier urged that Israel and the UN should discuss at once arrangements for obtaining the necessary assurances that the blockade would not be reinstated after the withdrawal of Israeli forces.

6. As for the Gaza Strip, Mrs. Meier re-stated the well known arguments about how vital it was to the security of Israel; that it had not been declared Egyptian territory; that no effort had been made by Egypt to integrate either the indigenous population or the refugees; that it had been the main base for fedayeen raids against the agricultural settlements in the Negev. For all these reasons Israel "refused to envisage the possibility that Gaza would be again placed under Egyptian domination". Mrs. Meier emphasized that she was not talking about annexation of the Gaza Strip by Israel but about the solution to the problem which would provide the necessary security to Israel and the administrative services needed by the inhabitants. In the present circumstances the inhabitants of Gaza and the refugees were happier under Israel than they had been under Egypt. The Israel Government believed that the Secretary-General should now begin discussions about establishing UN authority in the Gaza Strip which would be exercised in cooperation with Israel. In the meantime Israeli armed forces should remain there.

7. Elaborating these ideas, Mrs. Meier said that the Gaza Strip should be neither part of Israel nor Egypt but under the UN. Presumably UNEF should occupy the Strip but UNEF could not be expected to maintain order there because of the large refugee population. In

these circumstances UNEF, rather than preventing fedayeen raids would serve only as a shield for them. As soon as the Israel forces withdraw Egyptian agents would return and they would re-organize hostile activities against Israel. The fedayeen raiders could easily infiltrate into Israel through UNEF posts and they would be safe in the knowledge that armed retaliation by Israel would be less likely than in the past because of the presence of UNEF. For these reasons Israel should be allowed to maintain in the Gaza Strip its civilian administration and particularly its police. There would be no danger in letting the Israelis stay but there would be a very real danger if the Egyptians were allowed to return.

8. The burden of all these arguments was to persuade the delegations represented to put pressure on the Secretary-General to negotiate with Israel concerning the two areas of occupation. The Israelis were also laying the ground work for a possible new debate in the Assembly concerning the delays in the Israeli withdrawal behind the armistice line. On January 8 the Secretary-General told the Advisory Committee that in conversations with Israeli representatives on January 5 he had informed Eban that if Israeli armed forces did not speed up their withdrawal from Sinai and in fact comply with the Assembly resolutions on withdrawal, the Secretary-General would be obliged to report the situation to the General Assembly. Notwithstanding persistent efforts by the Israelis, the Secretary-General has insisted in his conversations with them that he had no mandate to discuss political conditions which the Israelis might attempt to attach to their withdrawal. The Secretary-General has interpreted the resolutions, and correctly so, as calling for the unconditional withdrawal. He has had to deal with stubborn attempts by the Israelis to impose conditions; the Israelis have tried to carry out their withdrawal by delayed stages; there have been arguments about the line of withdrawal at various stages. Consistent with his attitude on the Anglo-French withdrawal, the Secretary-General has maintained the utmost pressure on the Israelis.

9. During the meeting of the Advisory Committee today the Secretary-General was informed that the Israel representatives desired an urgent meeting with him to discuss further the withdrawal from Sinai. Currently they are asking that the present line of the withdrawal through Elarish should run north and south instead of diagonally to the head of the Gulf of Aqaba. The Israelis' interpretation would leave them in occupation of about 42 percent of Sinai, whereas they had previously agreed that by the end of the first week in January they would have evacuated "most" of the territory occupied. Lall reacted sharply when the Secretary-General discussed this situation and we understand that among the Afro-Asian group there is growing pressure for a debate designed to mobilize opinion against Israel. Unless the Israelis comply more readily with the Secretary-General's insistence upon withdrawal he will be obliged to report to the Assembly and a sharp debate will almost certainly ensue.

10. The Israelis are clearly anxious to win assurances before they withdraw and in the case of the Gaza Strip are demanding much more than assurances. The Secretary-General's attitude as we understand it has been that Israel must first withdraw before any effort can be made to improve the situation both in the Gaza Strip and in the entrance to the Gulf. There can be no doubt that the Secretary-General's position is soundly based on the Assembly resolution. In addition, we see little likelihood that the Israelis will achieve any of their desired aims as long as they refuse to withdraw behind the armistice line.

11. We sensed that this opinion was held by most of the representatives present at yesterday's meeting. No-one commented on Mrs. Meier's statement but Spender and Munro questioned her briefly. Eban attempted to win sympathy by saying that in a very short time there would be a link by pipeline and road between the Gulf of Aqaba and the Mediterranean, a link which would release Western Europe from the "monopolistic stranglehold"

which Egypt had on the Suez Canal. Whatever influence this might have had on the West Europeans was probably offset by their lack of sympathy with Israel's bold attempt to capitalize on armed aggression.

12. After the meeting of the Advisory Committee this morning we discussed informally with several delegations the press report from Cairo that the Egyptians would insist on a complete withdrawal of Israel's forces before they would permit ships of the UK and France to use the Canal. In reply to a direct question from Engen, the Secretary-General stated that, as he understood the position of the Egyptian Government, there was no substance whatever in the Cairo report. Yesterday Ramsbotham said substantially the same thing.

[R.A.] MACKAY

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210. DEA/50134-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations to Secretary of State for External Affairs

TELEGRAM 98 New York, January 9, 1957

SECRET

Repeat for information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi from Ottawa.

ISRAELI WITHDRAWAL FROM SINAI

Today we canvassed the views of a number of delegations concerning the position which the Israelis have adopted regarding the withdrawal of their armed forces from Sinai. We refer in particular to Mrs. Meier's statement about Israel's objectives as regards the Gaza Strip and the Strait of Tiran. I suggest that the info in this telegram be regarded as supplementary to my report† on the conversation I had on January 8 with Noble, Dixon, Lodge and Spender.

2. Ramsbotham confirmed our impression that the UK was disposed to mobilize support in the Assembly for the position taken by Mrs. Meier. He argued in effect that the Israel Government could not afford and could not be expected to relinquish its hold on the Gaza Strip and on the Strait of Tiran unless and until Israel had adequate assurances about future developments in those two areas. He expressed conviction that Israel would not withdraw its forces without the required assurances. To deny these to the Israelis would be to invite further armed conflict. There was every prospect that Egypt would try to restore the blockade of the Strait of Tiran and to re-establish the basis for fedayeen raids from the Gaza Strip. Accordingly, the powers most concerned, and we gathered that UK, USA and Canada were included among these, should take steps now to ensure that UNEF would be firmly established in both places and the Egyptians would be prevented from restoring their military position there. Until some arrangement along these lines could be made we should resist efforts to bring pressure on Israel to withdraw. Notwithstanding what Mrs. Meier had said to the contrary, Ramsbotham was persuaded that in proper circumstances the Israelis would withdraw from the Gaza Strip.

3. Under questioning Ramsbotham admitted that a move of this kind was unlikely to succeed in the Assembly. The burden of his argument was that the countries principally concerned (the Western Great Powers and the countries contributing to UNEF, except India, Indonesia and Yugoslavia) should put pressure on the Secretary-General to be more accommodating in his current dealings with the Israelis. Ramsbotham said that the Secretary General was in favour of establishing some form of UN régime in both places. Ramsbotham could not answer our comment that the Secretary-General had no authority to depart in his negotiations with the Israelis from the terms of the Assembly resolution which called for unconditional withdrawal. He said that the UK delegation would be discussing this situation with the USA delegation and implied that they shared UK views to some extent.

4. With this in mind we talked to Barco of the USA. He said that his delegation had no official reaction from Washington on the proposals which Mrs. Meier had advanced. He confirmed that the USA Government had taken a firm line with Israel on the question of withdrawal. He could see no justification for allowing the Israelis to attach conditions to their withdrawal and, while he had every sympathy for the objectives which Israel was seeking, he believed these should come as a consequence rather than a prior condition of withdrawal. The Israeli Government should be disabused of the idea that it could accomplish its aims through a policy of toughness. Barco agreed that the Secretary General has no mandate to negotiate a conditional withdrawal and said that any member state which showed a tendency to back away from the terms of the resolution on withdrawal would immediately become suspect in the eyes of the Arabs and of many of their supporters, a situation which the USSR would be glad to exploit.

5. Barco agreed that we should be studying ways and means of strengthening the Secretary General's hand in his negotiations with Egypt, in particular to permit the possibility of establishing a UN régime in Gaza and in the Strait. It would not be strengthening the Secretary General's position, however, to urge him to be more lenient with the Israelis. Barco promised to keep in close touch with us on this matter.

6. Naevdal of the Norwegian delegation said that his government had not reacted to Mrs. Meier's suggestion. The Norwegians here were not favourably disposed to them. They see no alternative but to continue their support for unconditional withdrawal. It was their impression that the other Scandinavian delegations held the same view. Naevdal pointed out that any equivocation on the part of states like Canada, Norway, Sweden and the USA concerning the Israeli withdrawal might not only jeopardize the chances of improving the situation in the Strait of Tiran and Egypt-Israel demarcation line but might have adverse effects on the continued operations of UNEF in the area and on the negotiations for a Suez settlement. He observed that the Israeli suggestion about a pipeline and road connection between the Mediterranean and the Gulf of Aqaba was tempting but not one which could be easily implemented in the face of Arab opposition.

7. Bernardes of Brazil said that Mrs. Meier's presentation had impressed the Latin American delegations. They recognized that Israel had a good case for improving the situation along the Gaza Strip and in the Strait. Nevertheless it was difficult to see how the Israeli objective could be pursued in the Assembly as long as Israeli forces had not withdrawn behind the demarcation line. It was his impression, however, that many of the Latin Americans would resent any attempt by the Afro-Asians to press a resolution calling for drastic action against Israel because it had not withdrawn.

8. There have been indications that Arab restiveness about the delays in the Israeli withdrawal may result in a demand for a new debate. We heard that the Afro-Asians (or at least

some of them have prepared a draft resolution which would condemn Israel for not carrying the withdrawal and which would call for economic sanctions unless the withdrawal were completed at once. We assume that a debate in the Assembly can be avoided as long as some progress is being made in the Israeli withdrawal. In this regard the Israelis are said to have informed the Secretary General yesterday (after the meeting of the Advisory Committee) that they would give up a further slice of the Sinai peninsula. Presumably this may for the time being allow the Secretary General to withhold any adverse report on Israel's withdrawal from Egyptian territory.

9. Our view is that the Secretary General should be permitted to continue the course he has been following. We know this view is shared by other delegations closely connected with us in MidEast matters. We can see no advantage in putting pressure on him to be more accommodating with the Israelis. We would hope that next week there would be an opportunity to consult fully with interested delegations on ways and means of reassuring Israel that its legitimate aims in the Strait of Tiran and along the Gaza Strip would be safeguarded. We see no alternative to supporting the Assembly's expressed demand for unconditional withdrawal. In these circumstances it would be necessary to persuade the Israelis that their announced intransigence about the occupation of the Strait and the Gaza Strip can lead to no useful result. We shall, however, reassess this question next week when the reactions of many delegations are likely to be more precise.

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211. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], January 10, 1957

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration and Acting Minister of Fisheries (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce),
The Registrar of the Cabinet (Mr. Halliday),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

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SUEZ CANAL; FINANCING OF CLEARANCE

27. *The Secretary of State for External Affairs* reported that the Secretary-General of the United Nations had asked all Permanent Delegations in New York to request their governments to give early consideration to the possibility of making advances to an interim fund

to meet the current costs of clearing the Suez Canal. At the same time, the Secretary-General, through his Financial Adviser, had approached ten governments requesting specific advances to the fund.

Clearing of the canal had been undertaken by the United Nations at the request of the Government of Egypt. In accordance with a General Assembly resolution of November, 1956, authorizing Mr. Hammarskjöld to negotiate the necessary arrangements to begin the operation, obligations had been entered into with several salvage concerns. Arrangements for financing these should be made immediately if the clearance was to continue without interruption or delay, and the interim fund was designed to meet immediate requirements pending an agreement on the general financing programme.

In addition to Canada, countries approached directly had been the United States, Australia, Norway, Sweden, Denmark, the Netherlands, West Germany, India and Italy. The U.S. had already advanced $5 million, Norway was prepared to provide $1 million, and West Germany a similar amount. Several other countries had reacted favourably but had not committed themselves to specific sums.

It seemed in the interest of Canada to help restore free passage through the canal as quickly as possible, as this would contribute to obtaining peace and stability in the Middle East and help to alleviate economic distress and dislocation brought about in western Europe through closing of the canal. The Minister recommended that Canada make an advance of up to $1 million to the interim fund.

An explanatory memorandum was circulated.

(Minister's memorandum, undated, Cab. Doc. 8-57)†

28. *Mr. Pearson* added that this money would be borrowed by the United Nations. Canada had received specific assurances that this was not a grant but a loan to be repaid. It was difficult to work out a formula for allotting costs of the clearance operation amongst the U.N. members, but it had been suggested that up to $10 million of the amount might be covered by assessments on the same proportions as general contributions to the U.N. This would mean about 3 per cent for Canada.

A 100 per cent sharing would likely not be acceptable to all U.N. members and sufficient funds could not be got this way. The principal other means suggested was a special toll on users going through the canal. The Users Association had been consulted and had agreed to work out some arrangement by which users would earmark certain amounts for repayment, to be obtained by a voluntary levy on shipping using the canal. It was estimated that the total cost might be from $30 to $40 million. This was small in proportion to the losses being incurred by the closing.

If an advance were approved, he proposed in the reply to the Secretary-General's request to make it very clear that any participation by the Canadian Government in financing the clearing operation would be on the firm understanding that the resolution of the Security Council and the General Assembly as to the principle of free transit through the canal, without discrimination, by ships of all nations would be made effective once the canal was opened, and that the advances which the Secretary-General had requested would assist in promoting the common purpose of the members of the United Nations.

29. *During the discussion* the following points emerged:

(a) It should be recognized as an elementary principle that clearing the canal was restoring a valuable asset and that the users who would benefit should be prepared to find the bulk of the funds necessary rather than the Canadian taxpayer. On the other hand, Canada was being asked to advance funds for much the same reason as the U.S., being a prosperous country which had accepted some responsibility in trying to resolve the Middle Eastern problems. The users could not be expected to bear the full cost of the operation. The people of western Europe would get immediate benefit from re-opening the canal but if this were delayed or did not take place, the whole economic situation would deteriorate markedly and Canada would suffer.

(b) Nothing should be advanced before some assurance had been obtained that the Users Association would agree that they would find the money; in fact, the first countries approached for an interim loan should all be users. It must be noted however, that the United Kingdom and France were supplying and paying for ships and personnel. They would have cleared up everything themselves but the U.N. had found this politically impossible. With these costs directly borne plus a percentage of tolls as users, the U.K., for instance, would be paying more than most of the other nations.

(c) In relation to the economic position, the discrepancy between $5 million from the U.S. and $1 million from Canada might well shock the Canadian people. On the other hand, the proposal was only for a loan of $1 million and, anyway, a straight loan now on an emergency basis would likely be more acceptable on all counts than an outright contribution made later when the plan of distribution of the costs had been worked out. However, there should be definite assurance that Mr. Hammarskjöld would not quit the field when the canal was cleared without making definite and satisfactory arrangements for the free use of the canal. If all the countries asked to assist would stress this point, it would help.

(d) The best case for assistance was that it was helping to make the U.N. an effective international agency in actually doing things that would help to secure peace. This was the first time the U.N. had taken an active material part in dealing with an international problem.

30. *The Cabinet* noted the report of the Secretary of State for External Affairs on the request from the Secretary-General of the United Nations for an advance from Canada to an interim fund to meet current costs of clearing the Suez Canal, and agreed that an advance of up to $1 million be approved for this purpose; it being understood that, in informing Mr. Hammarskjöld of this, it would be made clear that any participation by the Canadian Government was understood to be contingent on the establishment of freedom of passage in the canal for the shipping of all nations.

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212. DEA/50385-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM ME-7 Ottawa, January 11, 1957

SECRET. IMMEDIATE.

Repeat Paris, Washington and Candel New York.
For information NATO Paris and Cairo.

FUTURE OF UNEF

1. It seems to me that we shall soon have to face up to the question of the future of UNEF in the General Assembly. As you know, there have been several indications that at least some of the Arab states might not be opposed to some transformation of UNEF functions whereby the stabilizing role which it has so far been playing in Egypt might be prolonged and extended to include Israel's boundaries with her other Arab neighbours. In this connection, the following is a preliminary draft of the line which I am thinking of taking in my statement in the House of Commons on Monday January 14. Begins.

The long term objective of UN efforts in the Middle East must be to find a permanent political settlement of the problems which have kept the area in turmoil for so many years. Unfortunately, however, we must recognize that the present atmosphere is not conducive to constructive discussion of these broad political questions. The apprehensions and uncertainties of the peoples concerned, which contributed to the violent outburst of last October and have been intensified by that incident, must be given time to recede.

While the political climate of the Middle East is maturing toward the point when conditions will render practicable [direct][177] efforts to negotiate a comprehensive settlement, it is essential for the countries of that region, indeed for us all, that security and stability should be effectively maintained and guaranteed. The UN emergency force is, I think proving successful thus far in its limited function of securing and supervising a cease-fire; but there will be a continuing need for some such stabilizing influence as the emergency force is exercising now, throughout the intervening period until a political settlement is achieved.

Perhaps it is not too early to direct our thoughts to the problem of how this essential continuing role is to be filled during that time. One possibility which we think might merit consideration would be the establishment of some form of [buffer][178] along the boundary between Egypt and Israel, and, if this could be arranged by agreement with the other states involved, along the borders of Israel with her other Arab neighbours as well. Some such interposed element might be effective as the guarantee of the security of the nations concerned which is so vitally needed if their minds are to be free to concentrate with some hope of success on negotiations. Ends.

2. *London, Washington and Paris only.* I should be grateful to receive urgently any comments you may wish to offer on this proposed line, particularly if you think that public reference to this question would be unwelcome to the government to which you are accredited.

3. *Candel only.* You may wish, at your discretion, to show this proposed text informally and in strict confidence to the Secretary-General with a view to assessing his general reaction.

[L.B.] PEARSON

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[177] Crochets dans l'original./Square brackets in original.

[178] Crochets dans l'original. La note marginale suivante apparaît au-dessus de "buffer" : UN regime [auteur inconnu]
Square brackets in original. The following marginal note appears above "buffer": UN regime [author unknown]

213. DEA/50372-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to United Nations

TELEGRAM ME-9 Ottawa, January 11, 1957

SECRET. IMMEDIATE.
Repeat for information London, Washington, NATO Paris and Paris (Important).

FINANCING CANAL CLEARANCE: CANADIAN ADVANCE

Further to your telephone conversation with Léger this morning, the following is the general line which you might take in conveying to the Secretary-General word of the Cabinet's decision to recommend Canadian participation in the interim fund. The reply to the Secretary-General's letter of December 25† will be deferred for the time being.

2. You might begin by emphasizing that the government is anxious to lend Canadian support to his efforts to keep the canal clearance operation moving, both because of our own broad political interest in seeing the water way reopened, and as an expression of United Nations solidarity. Therefore you had been instructed to convey to him at once in strict confidence the Cabinet's decision to recommend an advance by Canada of up to one million dollars. At the same time it was felt that a discussion with him at this stage on certain aspects of the interim financing arrangements might facilitate the framing of our offer in suitable terms, in reply to his appeal of December 25.

3. You could observe that the Canadian Government has been assisted to some extent in reaching a favourable decision on his request, by the assurances which he had given you regarding the strictly interim nature of the financing arrangements now being made, and the intention that the loan we had been asked for would be repayable when a general financing programme is agreed upon. However, there were other aspects of the question on which we would welcome any further reassurance he could provide. The government fully appreciated the urgency of getting the canal cleared, with a view both to easing tension in the Middle East and relieving the severe strain which the interruption of traffic has imposed on the economies of many nations. However, we had grave apprehensions as to whether either of these objectives, to both of which we attach great importance, would be furthered by the clearing of the canal without a clear and firm understanding that when it is reopened freedom of passage would be ensured for the shipping of all nations. As Mr. McCloy himself had observed, an essential part of the domestic public justification for Canadian participation in the interim fund would be our direct interest in sustaining the economies of our important friends and trading partners in Western Europe. From a purely practical political point of view, the Canadian Government would be placed in an extremely difficult position if it made an advance to promote the early clearing of the canal, only to have a situation develop in a few months where the shipping of some of our closest friends was being refused passage through the canal on political grounds. This of course was only one aspect of our concern over the question of freedom of passage without discrimination; it was not necessary for us to reiterate to the Secretary-General our broader apprehensions regarding the international implications of a crisis over Suez passage in the near future, which we were sure he fully shared.

4. You might add that we naturally wish to avoid contributing in any way to the Secretary-General's problems, and we hope that by mentioning our broad pre-occupations orally at this stage we can contrive to avert any possible embarrassment to him in the terms of our reply to his note of December 25.

5. For your own information, it has proved exceedingly hard to convince other departments and the Cabinet of the general desirability of any degree of Canadian participation. It would not be consistent with the discretion which I received yesterday in Cabinet if we failed to register our reservations in this manner.

[L.B.] PEARSON

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214. DEA/50134-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], January 11, 1957

GULF OF AQABA

The Israeli Chargé d'Affaires came to see the Middle Eastern Division again this morning and talked mainly about the Gulf of Aqaba. The only fresh point was that, according to information which Erell had received from Comay in New York, it is likely that a debate on this subject will start in the General Assembly on Tuesday. Again according to Comay, the Secretary-General is preparing a report on the progress of the Israeli withdrawal, presumably as a basis for the debate.

Erell said that he had been asked by Comay to tell us that the Israelis were very concerned that the Secretary-General would prepare a report which would not do justice to the Israeli case. In this situation they were relying on their friends to help them by talking to the Secretary-General, but the voice of Canada had been conspicuously silent. The Canadian delegation was apparently without instructions. Erell was told that while we were very much alive to the problem, it was not at present likely that any instructions would be sent to the Delegation before you reached New York yourself on Tuesday. Erell said he understood the position, but time was short and a word to Hammarskjöld today or tomorrow might have a substantial effect on the course and outcome of the debate.

Erell telephoned this afternoon to say that he had just had another call from Comay. The Israeli delegation in New York has apparently been encouraged by certain remarks made by a member of the United States delegation indicating that the Americans are now playing a somewhat more positive part in seeking a compromise which, while continuing to insist on the withdrawal of Israeli forces, would at the same time meet Israeli preoccupations with regard to freedom of passage in the Gulf of Aqaba. The Secretary-General is also reported to be showing more inclination to work something out that would be satisfactory to the Israelis, and the United Kingdom and Australian Governments are mentioned as being active in corridor efforts to promote this trend. Erell said that Comay naturally had a personal interest in the line taken by the Canadian delegation and that he was rather distressed that in all the comings and goings Canada was taking a back seat. I asked Erell whether matters had developed to the point of drafting resolutions or whether delegations were still in the talking stage. He said that as far as he knew, no resolution was yet in circulation.

J. L[ÉGER]

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215. DEA/50134-40

Note de la Direction du Moyen-Orient pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Middle Eastern Division to Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], January 14, 1957

DEVELOPMENTS ON MIDDLE EAST QUESTIONS, JANUARY 12

Following the meeting on Saturday morning [January 12], the Minister asked me to phone the Delegation in New York to let them know his thinking on the next step in the General Assembly and in particular, to enquire whether a date had yet been set for the resumption of the Middle East debate.

2. As Dr. MacKay was not available, I spoke to Geoff Murray, who said that the best estimate he could give was that the debate would begin in the middle of next week. The Arab states had made it known that they were thinking of putting forward a resolution reiterating the call for Israeli withdrawal, but they would probably not decide to go ahead until the Secretary-General had produced a report on this subject, which he is preparing for publication on Monday. I said that the Minister did not like the idea of supporting a straight withdrawal resolution, and that he had been wondering whether it might be possible either to amend such a resolution, or to propose a parallel resolution, reaffirming the principle of freedom of navigation, with particular reference to the Straits of Tiran. I said that the Minister wished us to be ready to submit an appropriate text, depending on the contents of the Arab draft.

3. Murray said that there was a strong feeling in the Delegation that it would be very difficult to obtain support for a resolution or resolutions linking Israeli withdrawal with the Gulf of Aqaba problem. He admitted that the United Kingdom and Australian delegations were in favour of something that would meet Israeli apprehensions, but that the Indians and, he thought, a majority of delegations in the Assembly would be adamant that the Israelis should be given no satisfaction until they had completed their withdrawal. He thought that there was a wide appreciation of Israeli objectives, but that to jump too quickly might do the Israelis more harm than good. When I mentioned the idea that a detachment of UNEF might take over from Israeli forces at Sharm-el-Sheikh, he said that he understood it was already the intention that Norwegian forces should be stationed there, and that this movement would take place in due course and without the necessity for further direction by the General Assembly.

4. In general, the Delegation would hope that until he has had an opportunity for a full discussion with the Secretary-General on Tuesday night, the Minister would not, in public at any rate, go beyond the draft text on the future of UNEF in our telegram ME-7 of January 11. (This text has since been somewhat revised by the Minister, but the essentials remain as in the original draft. Two small corrections were received from New York and incorporated, and suggestions from Washington and possibly London are awaited.)

5. After speaking to Mr. Watkins, I reported the foregoing to the Minister, who said that some way would have to be found to modify a resolution embodying nothing but a call for Israeli withdrawal, if such should be proposed by the Arabs. Otherwise the Israelis might simply refuse to withdraw and confront the Assembly with another problem. The Minister then instructed me to phone Mr. Heeney in Washington to bring him up to date on thinking here so that he could discuss the position with the State Department and possibly the Secretary of State himself. Mr. Pearson gave me a copy of a message† which had arrived via the Israeli Embassy here from Comay in New York to the effect that the State Department was looking into the possibility of having the Assembly pass a resolution or a brace of resolutions which, while covering the withdrawal of Israeli troops from Sharm-el-Sheikh, would also make provision for freedom of navigation in the Gulf of Aqaba.

6. When I spoke to Mr. Heeney about 5 p.m. he had no information that the State Department had yet reached the stage of considering what kind of resolution might be needed next week in the General Assembly. Nor did he know how the State Department or Mr. Dulles himself would react to the ideas we had been examining here. He approved the suggested language for Mr. Pearson's reference in the House on Monday to the future of UNEF and proposed, when the final text was available, to use this as the basis for an approach to the Secretary of State in which he would hope to elaborate further on the Minister's intentions in the General Assembly. He asked for confirmation, however, that the Minister definitely wished him to see Mr. Dulles and I agreed that we would send a telegram on this point and setting forth the questions on which we would like to have State Department views.

7. I reported this conversation to Mr. Pearson, who said that it was not essential that Mr. Heeney should see Mr. Dulles, but that he might see Elbrick or someone similarly placed. The Minister hoped to have an indication of State Department views before he spoke to Mr. Hammarskjöld on Tuesday night.

H.B. ROBINSON

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216. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM ME-14 Ottawa, January 14, 1957

SECRET. MOST IMMEDIATE.

Reference: Your telephone conversation of Jan 12 with Robinson.

Repeat for information London, Candel New York, Paris, NATO Paris, Cairo (Immediate. Important).

ISRAELI WITHDRAWAL AND RELATED PROBLEMS

1. This will confirm that I would be grateful if you would speak to the State Department about the way things are shaping in the General Assembly. I do not think at this stage that you need see Dulles personally, although if through Elbrick or someone similarly placed you could obtain Dulles' reaction to our present thinking this would be particularly helpful. I shall, as you know, be seeing Hammarskjöld on Tuesday evening and would like if possible to have an indication of United States views before then.

2. The immediate problem in the Assembly is that the Arabs are threatening to propose a resolution aimed at speeding up the Israeli withdrawal. Arab intentions are not yet clear, as they are apparently dependent to some extent on the contents of Hammarskjöld's progress report on the withdrawal, which I understand may become available today. If Hammarskjöld is critical of the Israelis, the Assembly may be confronted as soon as Wednesday with a pretty uncompromising withdrawal resolution which most delegations would doubtless find difficult to oppose. For their part, the Israelis have as you know been campaigning assiduously for some form of U.N. guarantee of freedom of passage through the Gulf of Aqaba and of prevention of fedayeen raids, as pre-conditions for withdrawal from the Sinai peninsula (although it should be added that they have at no time signified willingness to allow the Egyptians to re-occupy Gaza). The Israelis have told us pretty firmly that unless they receive some assurance, particularly regarding access to the Gulf of Aqaba, they will be unable to comply fully with the Assembly's recommendation to withdraw.

3. I gather from the delegation in New York that except for a small number of delegations, including the United Kingdom and Australian, the general opinion is that nothing should be done to appease Israeli apprehensions until they have shown their good faith by completing the withdrawal, as already recommended by the Assembly. There is, of course, no question but that previous resolutions of the Assembly must be carried out, and we cannot appear to be less insistent on the Israeli than on the Anglo-French withdrawal. On the other hand, some of the Israeli objectives seem to be legitimate, and I would hope that something more constructive than a mere reiteration of the previous withdrawal resolutions could be devised.

4. There is perhaps a rough analogy between the position we took at the time of the original cease-fire resolution and that which should be taken now. Then we were concerned that the Assembly should not only stop the fighting and start the withdrawals but do something more constructive towards ensuring stability. UNEF was the result. Now, while we want to see that the withdrawals are carried through, I think the Assembly would be failing in its duty if it did not seize the opportunity to lay some more solid groundwork for the future. What I have in mind is that without attempting to give the Israelis the *assurances* they wish or weakening the injunctions to withdraw, we might perhaps try to insert in the Arab text some not too pointed reference to the principle of freedom of navigation as well as making the frontiers secure (perhaps by reference to the cease-fire resolution of November 2), so as to make it difficult for the Egyptians to oppose and yet to place them under a fresh moral obligation not to reimpose the blockade against Israeli shipping. Another possibility would be to propose a second resolution with the same aims in mind, but this would be perhaps a more patent attempt to balance a withdrawal resolution, and thus more difficult to sell. Incidentally, I received a message† on Saturday from Comay in New York indicating that the State Department were looking into the possibility of having the Assembly pass a resolution much along these lines, but this may for all we know contain an element of wishful thinking.

5. A directly related matter on which I would also like to have State Department reactions is the future of UNEF. A copy of the amended text of my remarks in the House today on this subject will be put on the wire as soon as possible.[179] On the basis of these remarks you might indicate to the State Department that we think it will very shortly be necessary to provide in the Assembly for the transition from the original emergency role of UNEF to something of a more extended nature. We are hopeful that the idea of continuing U.N.

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[179] Voir Canada, Chambre des Communes, *Débats*, 1957, volume I, pp. 181-183.
See Canada, House of Commons, *Debates*, 1957, Volume I, pp. 175-177.

supervision along the Israeli-Egyptian boundary, and perhaps also along Israel's other frontiers may not be unwelcome to the Arab Governments, and that in return for the increased security it would bring them, they (and especially the Egyptian Government) would be ready to use their influence to prevent a continuation of border raids. I hope too that if this idea caught on in the Assembly, the Israelis would be encouraged to hasten their withdrawal from Sinai, particularly if arrangements could be made for UNEF or its successor to maintain a continuing patrol (by land or sea) in the Straits of Tiran. I also think that such a force might at least temporarily occupy the Gaza Strip, if only to establish the point that its future is subject to eventual negotiation in the context of the political settlement.

[L.B.] PEARSON

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217. DEA/50385-40

L'ambassadeur en Égypte
au secrétaire d'État aux Affaires extérieures

Ambassador in Egypt
to Secretary of State for External Affairs

TELEGRAM 39 Cairo, January 14, 1957

SECRET. IMMEDIATE.

Repeat for information London, Washington, NATO Paris, Paris and Permis New York from Ottawa.

By Bag Canberra, Wellington, Karachi, Tel Aviv, Beirut, Athens, Ankara, Moscow from London and Delhi from Ottawa.

EGYPT AT THE CROSSROADS

I am giving this message the above heading because I cannot escape the feeling that the present régime is facing a critical moment in its history. The opportunity for indefinite postponement of a major decision in foreign policy is running out, perhaps the time is limited to the interim before President Eisenhower's statement becomes effective policy.

2. Looking at that statement from this quarter of the globe it seems to reflect a mood of increased confidence on the part of President Eisenhower and his advisers and a decision to lead from strength. It cannot be an oversight on the part of the White House that in the statement there is very little attempt to cater to the popular fetishes in this part of the world such as anti-colonialism and more particularly anti-British and anti-French sentiment. What has annoyed most commentators here, both press and official (the latter in private conversation), is the absence of condemnation of Anglo-French action in this part of the world and the subsequent assumption that these powers are not only forgiven but will retain a favoured position in USA policy making. In other words it appears as if the USA are saying: "We are going to pursue a policy that rewards our friends and hurts our enemies". Not only this but those who refuse to be counted as either friends or enemies will have to bear the consequences if they are denied preferential treatment which is to be reserved exclusively for those who have proved they are endeavouring to be true friends of the USA.

3. While I have not been able to study reactions in many of the neighbouring countries, I gather Lebanon is favourable and Syria critical. Other governments such as Libya, Sudan, Saudi Arabia, and of course the Baghdad powers (and in a separate category Israel) are in varying degrees welcoming this new approach. The whole impact of the new USA policy

is thus tending to isolate Egypt from some of its Arab neighbours. King Ibn Saud is known to be uneasy because of the popularity of Nasser among his own subjects and his preferential treatment by Washington will tend to strengthen his bargaining position vis-à-vis Nasser, and also to allow him greater flexibility in his relations with other Arab states. It cannot have escaped Nasser's attention that the Saudi Arabian King has just last week been officially invited to visit the USA, and even more galling the regent of Iraq is due to visit the USA next month. I have learned from a reliable source that Nasser, using one of the journalists closest to him, Mohammed Hassanein Heikal, let it be known to the USA Embassy that during 1957 he would not visit any country (other than Arab neighbouring countries) with the exception of the USA. It is apparent at least up to the present that the USA have not taken this hint, and while not publicly rebuffing Nasser have remained cool to the suggestion. As I see it he is getting something of the Mossadegh treatment from the USA; that is to say they disapprove of much that has been done by the régime, yet they deprecate armed intervention which was threatened by the British in the case of Mossadegh and was actually tried here, but after checking this move they are not prepared to go further in salvaging the régime. Judging from Mr. Dulles' recent remarks,[180] they are even probing into the weakness of Egyptian economy while carefully saying that there is no intention to assist Egypt on account of these weaknesses. For the present, USA policy seems to be content to let this régime wither on the vine.

4. I said to the USA Ambassador recently it appeared as if the USA were requiring Nasser to work his passage back into their confidence before they would actively assist him, and he replied that this was about the size of it. The USA are not throwing their weight against the régime in the sense of encouraging a coup against Nasser, but on the other hand neither are they disposed by economic or diplomatic means (e.g. an invitation to Nasser) to build him up to the extent that he would appear to be an indispensable or essential corner-stone of USA policy in the Middle East. Thus it is now up to Nasser to make the next move; if he should turn to the USSR asking for lavish military and economic assistance and receive it, it would seem certain that his account with the USA will be finally closed. On the other hand, if he seeks and obtains USA assistance he would have to do so in such an unequivocal manner, and doubtless under such conditions, that he could no longer continue to be the exponent of a policy which seeks to jockey for position between the two great powers. This would undoubtedly have a deflating effect on his own prestige among the masses of the Arab world where even despite the poor showing of the Egyptian army in the recent hostilities his name still carries a potent appeal.

5. There is increasing evidence that the régime is worried by challenges to its prestige. First they are concerned about the continued Israeli occupation of Gaza, which increasingly emphasizes their impotence to do anything effective about it in spite of vague threats. Then the Jordanian Prime Minister's public flattery of President Nasser coupled with lavish expressions of gratitude over future aid from Egypt in connection with the possible loss of subsidy from the UK must be embarrassing particularly since everyone concerned must realize that Egypt's finances are in no condition to stand much extra burden.

6. Internally while it might not be correct to speak of a crisis, there is an air of political stagnation and indecision which suggests that the President and his associates are either at a loss in which direction to turn or are hesitating before taking a plunge. Nasser has shown signs in recent interviews of vexation and frustration. The economy of the country is running down at such a rapid pace that almost every day new shortages become apparent.

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[180] Voir/See United States, Department of State, *Bulletin*, Volume XXXVI, No. 918, January 28, 1957, pp. 126-130.

Supporters of the old régime, some of whom still hold positions of importance, talk with utmost frankness to diplomats of western missions in criticizing the policies of the régime.

7. Yet no experienced observer that I have met considers that a return to "normal" constitutional government is at least in short run a likelihood. The only alternative to the régime would probably be either another military government represented by a rival army faction or introducing new blood in an attempt to extend the base of the support of the present government (there have been some plausible rumours of such a development).

8. In short, the RCC régime both in its foreign relations and its internal economy appears to be in a quandary. There was an air almost of exhilaration in the period of hostilities and immediately after last November when, despite the poor performance of the army, Nasser displayed coolness, and a certain diplomatic flair in his moves on the international chess board. This has all passed now. There is increasing discontent over economic chaos and an attempt to shift all the responsibility to the West for this will not satisfy the critics indefinitely. The poor performance of the army in Sinai is general knowledge among the better informed sections of the population, and this is bound also to encourage boldness in criticizing the inadequacies of the dominant junta. In the past the President has shown a resilience and even an ability to produce a rabbit out of the hat. In the present situation however it appears to me that with his room for manoeuvre being so drastically curtailed he must make a decision which will tie him more closely to one or other of the great blocs and hence inevitably reduce his stature in the Arab world.

9. These thoughts are not intended to be a prophecy of the imminent overthrow of Nasser. They are rather an indication, necessarily sketchy, that this régime is facing difficult, unpleasant and almost certainly tense days in the immediate future.[181]

[HERBERT] NORMAN

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218. DEA/50134-40

L'ambassadeur aux États-Unis
au représentant permanent auprès des Nations Unies

Ambassador in United States
to Permanent Representative to United Nations

TELEGRAM NY-2 Washington, January 15, 1957

SECRET. IMMEDIATE.

Reference Ottawa tel ME14 Jan 14.

Repeat for information Ottawa (Immediate), London, Paris, NATO Paris and Cairo from Ottawa (Important).

ISRAELI WITHDRAWAL AND RELATED PROBLEMS

Following for Minister. I called on Phleger this afternoon to carry out the instructions contained in telegram under reference. I outlined to him what you had said in your speech in the House of Commons as background, and then put to him your ideas on how to meet the immediate problem of a possible Arab resolution in the General Assembly.

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[181] Copie du télégramme a été remise aux gouvernements américain et britannique.
Copies of this telegram were given to the American and British governments.

2. Phleger said that this had been the subject of lively discussion in the State Department and that their thinking had been very much along the lines of your own. While they had not come up with any firm conclusions as to how to proceed, two points had emerged from their discussions: (1) it would be most unhelpful if at this juncture the Arabs should come forward with a resolution calling upon the Israelis to complete their withdrawal; and (2) if such a resolution should be proposed, it should not be one sided in its application, but should advert to Egyptian as well as Israeli obligations.

3. Referring to the original November 2 resolution, Phleger pointed out that it had been written in such a way as to put obligations on the Egyptians as well as the Israelis, and that its language was broad enough to include an obligation on the Egyptians to prevent further fedayeen raids and even, he thought, to ensure freedom of navigation through the Gulf of Aqaba. He thought these were legitimate objectives of the Israelis, but agreed that it would not be feasible for the UN to provide any assurances to the Israelis as a precondition for their withdrawal from these areas. In the circumstances the State Department is of the view that nothing formal and categorical in these respects should be attempted in the UN at this stage; any such approach indicating that UNEF was moving into Gaza and the Straits of Tiran to ensure that fedayeen raids are not resumed and free navigation is maintained would be likely to defeat its purpose. He thought, however, that the Secretary General already had a certain degree of latitude to interpret the resolutions on the UN books; it might be possible for him to interpret the task of UNEF as now authorized by the General Assembly in such a way as to achieve these objectives with respect to Gaza and the Straits of Tiran. Phleger said that the issue was a most important one and that now was the time to do something: he thought the first thing was consultation with the Secretary General, and was gratified to hear that you would be discussing these problems with him tonight. He said he hoped you would also be talking to Lodge, who was aware of State Department thinking on these subjects.

4. I then outlined to Phleger your ideas on the future role of UNEF, and added that we were concerned that, if UNEF were merely to be left without any expanded mandate, there was danger that the Indians and Yugoslavs might decide to withdraw their contingents as soon as the Israelis had withdrawn behind the armistice lines, since these governments interpreted UNEF's role in terms of a very short-term operation.

5. Phleger again said that the State Department was thinking along the same lines with the same objectives in mind, but that there was the question of how to go about achieving these objectives. He said there were two sides to the problem: first, it was dangerous to count on UNEF growing like Topsy without any understanding with Hammarskjöld as to where it was going; and secondly, neither the UN nor any grouping of powers in it should get in the position with the Israelis of appearing to have guaranteed certain results if they should complete their withdrawal. As with the shorter term immediate problem of the Straits of Tiran, in connection with the future role of UNEF, we should first have resort to Hammarskjöld. Phleger thought it was "extremely helpful" that you should be thinking along the lines indicated with respect to the future of UNEF; the question was simply how the desired results were to be achieved.

6. Speaking generally, I would say that the State Department are fully alive to the critical phase we are now entering and are not inclined simply to let matters drift. They think that the dilemma presented by Israel's legitimate preoccupations with the security of its borders and of free navigation both in the Canal and the Gulf of Aqaba on the one hand and the requirements for Israeli withdrawal under the November 2 resolution on the other is unlikely to be resolved by any precise formula in the Assembly or by any private guaran-

tees. In their view best prospects at the moment for avoiding an impasse and a helpless return to the status quo lie in the ability of the Secretary General to persuade both parties to comply with *all* the terms of the November 2 resolution and to employ UNEF in a flexible manner on the basis of its existing terms of reference to achieve this end. In this process it was up to "us" to exert pressure not only upon the Israelis but also upon the Egyptians.

[A.D.P.] HEENEY

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219. DEA/50134-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations to Secretary of State for External Affairs

TELEGRAM 198 New York, January 16, 1957

SECRET. IMPORTANT.

Repeat for information London, Washington, Paris and NATO Paris.

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL FROM SINAI

Yesterday morning (January 15) Lall showed us a draft resolution, which he said the Afro-Asians were intending to submit shortly to the plenary session of the Assembly, concerning the withdrawal of Israeli armed forces from Sinai. In summary the draft resolution:

(a) recalled the earlier resolutions on withdrawal;

(b) noted "with regret and concern" that Israel had not complied with them;

(c) condemned this "non compliance by Israel";

(d) called on Israel to complete the withdrawal behind the demarcation line within five days;

(e) called on all States to refrain, pending this withdrawal, from giving military, economic and financial assistance to Israel (the language is that employed in the USA resolution in the Security Council on October 30/56; and

(f) requested the Secretary General to report on compliance with this resolution.

2. Lall said that the Afro-Asians would like to have this draft discussed by the Assembly on January 17. He was informed that the Secretary General's report on the Israeli withdrawal would be distributed on January 16 (as has been done). It too would be a basis for discussion in the Assembly. Lall was busily promoting his draft resolution in the First Committee on January 15.

3. Before noon I discussed this development with Noble and Dixon. They referred to the attitude which the Israelis had adopted in conversations with them, that is, Israel's position on the Straits of Tiran and the Gaza Strip. The Israelis had reported to the Secretary General that they would withdraw from the Sinai, except for the small coastal Strip dominating the Straits (Sharmal Shaikh). They wanted to comply with the earlier resolutions on withdrawal but they could get no assurances about the future status of the Straits or that UNEF would remain in the area pending a more permanent solution. They complained that the

Secretary General seemed unsympathetic to what they regarded as legitimate apprehensions. The UK delegation believed that the situation would quickly become dangerous because this Israelis seemed determined not to withdraw unless some kind of assurance was forthcoming.

4. I said we were concerned about the way in which matters were developing. We had been thinking about the possibility of extending the functions of UNEF to allow it to occupy the Straits of Tiran during the transitional period between the withdrawal and settlement. We also had in mind that some form of UN régime, including the deployment of UNEF, should be established along the demarcation line and in particular in the Gaza Strip. I referred to my statement in the House on January 14. I said we saw no reason why the task of securing the cessation of hostilities (envisaged in the Assembly resolution of November 2 and subsequent resolutions concerning UNEF) should not extend to maintaining order in the area pending a more permanent solution. We had purposely chosen the word "secure" for our resolution of November 4 with this aim in mind. I recalled my first intervention on this subject in the Assembly on November 2, in which I had clearly indicated the Canadian view that the Assembly should follow a more constructive and comprehensive course than merely to restore the status quo before October 29.

5. Dixon wondered whether it might not be wise to concentrate for the moment on the situation in the Straits. He recognized that this might be difficult but it was his impression that the Israelis attached the greatest importance to keeping that waterway open. He suggested that the Israelis might derive the required assurance if at the time of the debate on withdrawal, and particularly on the Afro-Asian draft resolution, a "companion" resolution should be introduced which in effect would take note of Israel's apprehension about the future situation in the Straits and would provide for UNEF occupation in the area pending a more permanent solution. There was a problem that they should remain in the background; it might be helpful if the USA could take the necessary step; but the companion resolution might well originate with some of the countries which had contributed contingents to UNEF, since the operative part of the proposed resolution would mean an elaboration of the functions of UNEF.

6. I said we had been thinking along the same lines. We had not decided whether to try to amend the Afro-Asian resolution on withdrawal or whether to work for a concurrent resolution. We would be glad to do whatever we could to help, although because we had taken earlier initiatives we would prefer that others should provide leadership in the present situation. There might be some advantage, however, in continuing the combination of states, such as Canada, Colombia and Norway, which had cosponsored earlier resolution concerning UNEF. I said I would be canvassing the views of other delegations and the Secretary General before reaching any firm conclusion about tactics.

7. It was Dixon's impression that the Secretary General was very uncomfortable about the most recent developments. He recognized the dangers of the situation but he also saw no way in which he could deviate from the position in principle that he was not authorized to negotiate conditions for the Israeli withdrawal. Dixon thought it would be helpful if the Secretary General in his report on withdrawal would give a lead about the situation in the Straits of Tiran. This might enable members of the Assembly to mobilize opinion in favour of some remedial action. The Secretary General had shown some disposition to give this lead. Much might depend on the attitude of the Israelis and in particular on statements they might make in the Assembly. The UK delegation had been urging the Israelis to be reasonable and conciliatory.

8. Later in the day I discussed the same subject with Skaug and Engen of Norway, with Lodge, and with Eban and Comay. These conversations are being reported in separate telegrams.

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220. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 199 New York, January 16, 1957

SECRET. IMPORTANT.

Repeat for information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL FROM SINAI

Yesterday afternoon Skaug of Norway came to see me about the Norwegian proposal for the registration of nuclear tests.[182] We also discussed the MidEast situation and in particular the problems arising out of the Israeli withdrawal from Sinai. In my conversation with the Norwegians, I dealt with many of the matters which I had discussed with Noble and Dixon. In this telegram, therefore, I shall confine myself to some of the additional points which the Norwegians raised.

2. Engen said that according to Eban there would probably be in the Secretary General's report a paragraph or two concerning the situation in the Straits of Tiran. The Israelis had been trying to ensure that the report should acknowledge the need to maintain UNEF at Sharm Al Shaikh until such time as a more permanent solution for the Straits could be evolved. In the meantime UNEF would serve to prevent "a recurrence of the state of belligerency" in the Straits. It was Engen's impression that if there should be sufficient endorsement by the General Assembly of this interpretation of UNEF's function in the Straits, the Israelis would withdraw from that area. Without an expression of Assembly opinion of that kind, however, the Israelis might refuse to withdraw, producing another serious crisis.

3. In the Norwegian view the Israeli attitude on Gaza was even more uncompromising. Israeli representatives had indicated that even if it should be agreed that UNEF would occupy the Gaza Strip, this would not provide sufficient security for Israel. In these circumstances Israel would withdraw its regular army but would wish to maintain in the Strip Israeli security police and civil administration. The Israelis argued that UNEF was not strong enough to prevent fedayeen raids from the Gaza Strip and there would be a practical problem of administering the 300,000 Arab inhabitants. The real intent of the Israelis was to keep the Egyptians out of the Gaza Strip and perhaps to establish a *de facto* basis for eventual annexation by Israel. In many ways the Gaza situation is more worrying than that in the Straits of Tiran, although the current disposition was to concentrate on the latter for the time being.

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[182] Voir/See Document 400.

5. I said that we were aware of these difficulties and that we were particularly concerned at the moment about the possibility that the Assembly would be called into plenary session on January 17 to discuss among other things an Afro-Asian draft resolution on withdrawal. It was our view that as long as the Israeli forces remained outside the demarcation line the Afro-Asians would continue the pressure for withdrawal and we could assume that the resolutions would grow stronger in their condemnation with each report on non compliance. Since this could lead to a very undesirable situation, there was good reason now for initiating constructive action in the Assembly. We were giving some thought to submitting a concurrent resolution which without laying down conditions would give an indication that when the Israeli forces had been withdrawn, UNEF would move into the two main troubled areas and along the demarcation line and would stay there pending a more lasting settlement. I said that the Israelis had a right to expect that the blockade would not be reimposed in the Straits of Tiran and that the Gaza Strip would not be used as a base for fedayeen raids. Similarly the Arab states had a right to expect that there would be no further retaliatory attacks by the armed forces of Israel.

5. Engen said he was worried about the possibility that sharp disagreements in the Assembly about the withdrawal of Israeli forces might disrupt all that we had achieved. While he agreed that there was a sound case, under the Assembly resolution providing that UNEF should "secure" the cessation of hostilities, for continuing and perhaps extending the functions of UNEF in the interim period pending settlement, the Indians, Indonesians and others might take the attitude that once the withdrawals had been completed, there was no further reason for maintaining UNEF in that area. This might mean a return to the status quo before October 29 and indeed to a worse situation because of the increased tension on both sides. Moreover, if the functions of UNEF should be disrupted this might adversely affect arrangements for clearing the Suez Canal and ultimately negotiations for a Suez settlement. Similarly, or course, Israeli intransigence about the Straits of Tiran and the Gaza Strip could cause a stiffening of the Egyptian attitude toward UNEF and toward the evolution of a new régime for the Canal.

6. Although he was worried, Engen did not despair that a way could be found out of these difficulties. He and I agreed that the General Assembly had a responsibility for seeking a solution. It would not be sufficient for the Assembly to confine itself to condemnatory resolutions. Members must be persuaded to pursue constructive aims. To allow time for a constructive approach to be developed we should not be hurried into a vote on an Afro-Asian draft resolution on withdrawal. The draft which was being circulated was most unhelpful. I indicated that we would probably vote against it in its present form. The Norwegians agreed with us that the best course in these circumstances would be to try to postpone or prolong the debate in the plenary session so that a vote on withdrawal could be avoided and there would be time to develop a constructive proposal.

7. Lodge came to see me shortly after the Norwegians. He had just had separate interviews with Fawzi and the Secretary General. Fawzi had said his intention was to press for a plenary debate on January 17 and to introduce the draft resolution which Lall had shown us. The Secretary General's report would also be before the Assembly at the time. There was some chance that the report would contain some attempt to meet the conflict between Israel's refusal to withdraw without assurances about the Straits of Tiran and Egyptian insistence that the withdrawal must be unconditional. Lodge expected that the Secretary General's formulation would be "metaphysical" but it might be adequate for purposes of developing a constructive approach in the Assembly. Lodge agreed that the Afro-Asian draft, as it stood, went much too far but that if the operative paragraph on sanctions were removed and perhaps the exact deadline for withdrawal, it might be difficult to oppose.

There was no reason why we should give Israel more favoured treatment than France and the UK.

8. I pointed out that there was the difference that Israel faced the prospect of a return to the intolerable situation which had existed along the demarcation line. I agreed that Israel should not be allowed to attach conditions to its withdrawal but the Israelis could not reasonably be expected to accept the kind of conditions which existed before October 29. The Assembly should demonstrate that it was aware of the problems of the Straits of Tiran and the Gaza Strip and indicate an intention to do something about these problems. Unless the Assembly gave some expression to these views, there was grave danger that the MidEast situation might deteriorate to something as bad as, if not worse than, the outbreak of hostilities last November.

9. Lodge agreed with this assessment and also with my suggestion that what we really needed was time to consider not only the substantive positions of the parties concerned but also the best tactics to employ in the General Assembly. I explained our ideas about a concurrent resolution, which he agreed might be better than an attempt to amend any Afro-Asian resolution. It was Lodge's impression that Egypt and Israel both agreed that UNEF should be interposed between their armed forces. There might be some difficulty, however, in getting the Israelis to grant UNEF the right to operate on Israeli territory. Lodge saw no reason why a constructive approach could not be developed, provided that we were given time. He agreed that it would be helpful if the Secretary General would give some lead in his report, which Lodge had seen in draft. (It was our impression that Lodge had tried to persuade the Secretary General to insert a reference to the situation in the Straits of Tiran. As you will see from the report, A/3500 of January 15, this has been done.)

10. I told Lodge that I was glad to see that the USA views corresponded to our own. I said we would be consulting with other delegations during the next few days and that we hoped to work closely with the USA delegation in this matter. Lodge agreed that this would be very desirable.

[L.B.] PEARSON

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221. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 205 New York, January 16, 1957

SECRET. IMMEDIATE.

Repeat for information London, NATO Paris, Paris and Washington.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin, Madrid, Stockholm from London and Delhi from Ottawa.

MIDEAST

I had two hours with Charles Malik at lunch time today. He arrived yesterday from London and had not yet been able to inform himself of MidEast developments here. In fact, I was the first person, he said, whom he had seen as he had been trying to rest since arrival in order to recover from a very exhausting visit to various capitals since leaving Lebanon.

2. He told me very frankly about his seven hour visit with Nasser and his info tallied with that which Mr. Norman has reported. He fears Nasser's influence and his simple and puritanical fanaticism, and obviously hopes that Egyptian ambitions can be kept in check. He is also somewhat worried about USA plans and policies for the above purpose, and notwithstanding recent events regrets the weakening of British and French influence in the MidEast. He thinks that in the long run Western Europe and the MidEast can and should work together in a more friendly and effective way than the USA will be able to do.

3. Malik was emphatic that Lebanon was now adopting for the first time, for ten years an independent foreign policy, and he hoped that this would make its influence with other Middle Eastern countries and with European countries a constructive one. While, of course, he is not perhaps representative of majority Arab opinion, nevertheless his views are of some importance. He is not pessimistic about future developments, especially after his visit to Paris and London which he thought had been successful. He said that he was impressed both by Mollet and by President Côté, while he had had a very good talk with Harold Macmillan.

4. Returning to the UN force, he expressed the hope that he would be able to exercise a moderating influence in Arab councils here, but he realized that there were difficult and extremist forces to contend with. I did not press him about current problems in regard to Israeli withdrawal and the control of the Canal because he had not had a chance to study them, but I begged him to do what he could to prevent hasty and unwise decisions, especially regarding Israel's delay in withdrawing from Sinai, and I emphasized that this withdrawal had to be linked up in some way, though not as a condition, with navigation in the Gulf of Aqaba, security on the border and Gaza.

5. Malik was brimming over with energy, confidence and good will, and highly complimentary about Canada's recent role in Middle Eastern affairs. He is anxious to visit Ottawa and we should now begin to make arrangements for that purpose.

6. I should have mentioned that in addition to the fear that Nasser's personality and policies aroused in him, he is very alarmed about the situation in Syria. He thinks that is the real focus of danger at the present time. He contrasted the political situation there very unfavourably with that in the Lebanon where the people are, he said, practically all behind the present policy of independence, moderation and accommodation to the greatest possible extent with the West; and even of a political settlement, if the atmosphere could be improved, with Israel.

7. After leaving Malik I spent an hour with Fawzi who was, as usual, very friendly, very plausible and, indeed, reassuring in his own careful and subtle way. I asked him to give me as frankly as possible his views on the two situations which will soon be confronting the Assembly, e.g., Israel's withdrawal and arrangements for the control of the Canal, which, he thinks, will be open for navigation within a month or so.

8. As to the first, he was adamant that the Israeli withdrawal from occupied territory must be unconditional and that they must not be permitted to benefit from their military action. I expressed agreement regarding conditions, but gave my view that withdrawal could not be separated from steps which should be taken for greater border security than had existed, and for freedom of access to the Gulf of Aqaba. Fawzi acknowledged the connection and said that if a withdrawal resolution were accepted by the Assembly this could be done on the understanding that the questions of first, the functioning of a UN force on the borders to prevent incidents, etc.; second, freedom of navigation in the Gulf of Aqaba; and third,

the situation in Gaza, would be discussed immediately afterwards and the Assembly could take any action it wished regarding them. So far as the first was concerned, they welcomed the acceptance by a UN force of certain responsibilities to keep the peace between the contending forces and would not object to a corridor being marked out for UN occupation for that purpose, some part of which, however, would be over the Israeli border. As to the second, the Assembly if it so desired could pass a resolution regarding freedom of navigation and authorize a UN contingent to be stationed at Sharm Al Shaikh or, and this would be in his opinion much preferable, the matter could be referred to the permanent court for an advisory opinion on the rights of Israeli shipping, which opinion the Egyptian Government would accept. In any event, he thought that the Gulf of Aqaba should be demilitarized. He stated that in point of fact 95 percent of the Israeli ships that had attempted to use the Suez Canal or the Gulf of Aqaba had done so without interference and that the 5 percent that were stopped were carrying armaments. I have heard this statement before and wonder if it is true. As to Gaza, the UN forces could move to the Israeli border and, indeed, UN officials could move in along with Egyptian administrative officials as soon as the Israelis had withdrawn, pending a decision by the Assembly on the future status of the Strip.

9. Fawzi then went on to discuss a régime of control for the Suez Canal. He did not think that there should be any effort to bring about an interim arrangement but that discussions should begin at once on the initiative of the Secretary General and through his instrumentality with 8 or 9 governments, individually or in small groups, as to what should be done to reconcile Egyptian control of operation with a legitimate international interest in freedom, level of tolls, etc. Fawzi said that the countries which he had in mind were Canada (through he may have mentioned this just to be polite) the USA, UK, France, USSR, Egypt, Saudi Arabia, Yugoslavia, India and Norway. He thought that if agreement in principle could be reached within this group, the Secretary General might set up a committee to translate that agreement into an international instrument which could then be submitted to an international conference. However, pending such arrangements (and this is where the difficulty will occur) ships using the Canal should pay tolls to the Egyptian company. So far as the Egyptian Government is concerned, they would accept an international arrangement by which their right to increase tolls and charges would be controlled and which would guarantee freedom of passage in an even more effective way than that guaranteed by the 1888 Treaty. He said that they would be entirely reasonable in this matter because obviously it was in their interest to be so. After all, the users of the Canal would be their customers and if their customers were not satisfied Egypt would be the first to suffer. He thought that there should be no great difficulty about financing the clearance of the Canal as this could be done by a surcharge on vessels using it until the cost had been paid for.

10. All this sounds very reasonable if, and the "if" of course is overriding, you accept the position that pending the above arrangement the Egyptian company is permitted to receive tolls. I asked Fawzi whether, in order to avoid this difficulty, there was any possibility, in his view, of an agreement being reached before the Canal was opened. He did not think so, but thought that it should be possible within a short time of that opening.

11. He emphasized to me that the Egyptian Government would be fair and reasonable in all these matters and was even willing to accept some responsibility for the recent unhappy events. He kept on repeating that the important thing now was to look ahead and not behind. Looking ahead, however, he expressed considerable worry about the trend of American policy. He accepted USA objectives and USA intentions, but he felt that Mr. Dulles in his statements before the congressional committees was putting those policies forward in terms that would not commend themselves to Arab public opinion in the sense

that he was emphasizing too much the idea of a vacuum which had to be filled by somebody, and the "cold war" aspect of future American policy in the MidEast. I confess I found it hard to disagree with some of Fawzi's observations on this matter.

12. I told him before we parted that if an Arab-Asian resolution was put forward tomorrow in the terms of the draft which I had seen we would have to oppose it as we were not willing to penalize Israel for non compliance within 5 days. He assured me that the resolution would certainly be modified and made milder in tone and content. I then begged him to use his influence with the other Arab states so that the Assembly would not be asked to come to a hasty decision on a matter of such importance. Even if they put the resolution forward tomorrow we would need a good many days to consider it and its implications. Fawzi agreed that there should be no undue haste in this matter. I reminded him that by showing some restraint last autumn in regard to imposing a time limit on Franco-British withdrawal, that that matter had been satisfactorily settled in a way which would not have been possible otherwise, and I hoped that he and his friends would show the same restraint in regard to a resolution concerning the withdrawal of Israeli forces.

L.B. PEARSON

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222. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 213 New York, January 16, 1957

SECRET. IMPORTANT.

Repeat for information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin, Madrid and Stockholm from London.

MIDDLE EAST CONVERSATION WITH COMAY AND EBAN

Last evening (January 15) I discussed with Eban and Comay the withdrawal of Israeli forces from the Sinai. Comay had asked for an early interview after my arrival here.

2. Eban said that Israel viewed the withdrawal as a three phased operation from the main part of the Sinai, from Sharm Al Shaikh and from the Gaza Strip. The Israelis considered that discussions concerning these phases should be consecutive, that to attempt to reach agreement on all three at once would only complicate the operation as a whole. The withdrawal from the main part of Sinai would be completed by January 22. The Secretary General had been so informed.

3. The Israel government was currently preoccupied with the withdrawal from Sharm Al Shaikh; they were greatly concerned about the future status of the Straits of Tiran; with the Canal closed and with the threatening statements which were emanating from Egyptian sources, blockade of the Straits would not be reimposed. It was of great international concern that the Straits should be treated as an international waterway open to innocent passage by the shipping of all States. This would loosen the monopolistic control which Nasser exercised over the economy of Western Europe and, indeed, of many of the States

of Asia and Africa. The government of Israel was pushing plans to develop this alternative route between the Red and Mediterranean Seas. An 8-inch pipeline would be completed by April, 16-inch and 32-inch pipelines were projects under active consideration. (A Western European government, which we believe to be France, was prepared to assist in building the 16-inch pipeline.) In these circumstances, Israel would "cling tenaciously" to its stand concerning the Strait and because success in this regard would place Western Europe in a better psychological position vis-à-vis Nasser, Israel was being encouraged by "many people" to stand fast. Dulles accepted the fundamental Israeli position on the issue of the Straits.

4. What was needed before Israeli forces could be withdrawn was a practical guarantee that the blockage by Egypt would not be reimposed. UNEF was the key to the situation and should remain in Sharm Al Shaikh until other measures had been devised to safeguard Israel's position. This could be done through a peace settlement, which Israel would prefer, or through an international agreement on the régime of the Straits adhered to by the riparian States of the Gulf of Aqaba and of the Straits. Such an agreement might require some months of negotiation but in the meantime Israel must be assured that the present freedom of access to the Gulf of Aqaba and to Elath would continue.

5. The Secretary General's position (Eban went on) was vague. He was taking the "legalistic" view that he was not authorized to discuss conditions of withdrawal. The Israelis were not demanding "conditions" but they wanted some kind of assurance that they would not have to submit again to Egypt's "acts of belligerency" in the Straits. Eban produced a few paras on the subject which he hoped could be included in the Secretary General's report (due to be released a few hours after our talk). Eban confirmed my impression that Lodge had tried to sell Eban's language to the Secretary General. If some such reference could be included in the report, the Assembly would be in a position to consider the problem of the Strait and presumably to take remedial action. The General Assembly could, for example, decide that UNEF should remain at Sharm Al Shaikh until the Assembly had subsequently decided that the situation in the Straits had been satisfactorily resolved. The State Department (so Eban said) liked these ideas and they had been discussed with Lodge. It would be a "tragedy" if no formula could be found for overcoming the present difficulty.

6. This presentation by Eban was much more conciliatory than that by Mrs. Meir (reported earlier)†. I agreed that something should be done by the UN to achieve the ultimate aims which Israel was seeking. The question was complicated not only by practical (the narrowness of the Straits) but by political considerations. It was beyond argument that Israel could not attach conditions to its withdrawal. It might be possible to arrange that simultaneously with the withdrawal UNEF could occupy Sharm Al Shaikh and as long as UNEF remained, there should be no difficulty about shipping in the Straits. As for arrangements of more permanent duration and those for the transitional period, there might have to be a demilitarization of the Gulf and the Straits except for the UN troops there. Eban confirmed that there were two or three Israeli frigates in the Gulf of Aqaba; he was, however, non-committal about my suggestion concerning demilitarization. I agreed that it would be helpful if the Secretary General could include in his report some reference to the situation in the Straits of Tiran (as you know this has been done).

7. I said that our main preoccupation at the moment was to prevent a decision being forced in the Assembly on the question of Israeli withdrawal. Time was needed in which to work out a satisfactory approach to the specific problems to which Eban had referred. Eban suggested that perhaps one week's delay might suffice for reaching an understanding concerning the Straits and that at the end of an additional week some arrangement could be made for the Gaza Strip. Israel's present disposition was to stand fast because this attitude

was fully supported by Israeli public opinion and because Israel's case was receiving a sympathetic hearing by several important member states of the UN. As a matter of tactics Eban wondered whether the report which the Secretary General was about to submit could not be treated as a progress report which required no immediate action by the Assembly but which would provide a basis for discussion both by the Assembly and by parties immediately concerned, including the Secretary General, about possible ways of resolving the problem of the Straits.

8. I suggested that it might be possible to deal with the Israeli withdrawal in phases. There would perhaps be less difficulty about the Straits of Tiran than about the Gaza Strip (about which Eban had very little to say). There was the added difficulty that pressure might be exerted to have UNEF disbanded once the withdrawal between the demarcation lines had been achieved. It was our intention to give UNEF some role along the demarcation line. I inquired whether the Israelis had given any thought to having UNEF operate within Israel. Eban produced the expected argument about the size of Israel, which could not spare territory for a UN corridor. There was also sensitivity in Israel about its sovereign rights. I emphasized in reply that it was psychologically important for UNEF to operate on Israel's side of the demarcation line.

9. Eban inquired whether we could mobilize the necessary support in the Assembly for maintaining UNEF in the area during the interval between withdrawal and settlement. I acknowledged that there were difficulties, in particular India's attitude. It was our impression, however, that if the proposal were properly presented the necessary majority of the Assembly would support the continuation of UNEF and perhaps in spite of opposition from some influential members. The main requirement was, however, that we should have time to study the whole question thoroughly and to canvass various opinions. If necessary, we might seek to have the Assembly discussion about withdrawal postponed.

10. Eban volunteered that any intervention he might make in the debate would be reasonable in argument and moderate in tone. He would not "breathe defiance". He hoped that this would encourage others to give some support to Israel's contentions. I tried to impress upon him that the more reasonable he could appear in the debate the more easy would be the task of evolving in the Assembly a satisfactory solution to the present difficulty.

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223. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 226 New York, January 16, 1957

CONFIDENTIAL. IMPORTANT.

Repeat for information Washington, London, Paris and NATO Paris.

ISRAELI WITHDRAWAL FROM SINAI

This morning (January 16), we attended an informal meeting of the Advisory Committee on UNEF to discuss briefly the Secretary-General's report on the Israeli withdrawal (Document A/3500 of January 15). This report had already been distributed and we surmised that the Secretary-General had called the informal meeting as a sort of apology for not discussing the report formally with the Advisory Committee before releasing it. In any event, the Secretary-General added little to what was actually said in the report, except to restate his position that he was not authorized to discuss with the Israelis any conditions which they might seek to attach to their withdrawal from Sinai.

2. Nevertheless, the Secretary-General acknowledged that the apprehensions which the Israelis had voiced, particularly concerning navigation in the Straits of Tiran, had considerable substance. He had tried to persuade the Israelis that, once the withdrawal had taken place, the problem of the Straits would probably have to be faced by the General Assembly. There was also a possibility that UNEF might be deployed in the vicinity of the Straits in the interim period between the withdrawal and a more permanent settlement of differences between Egypt and Israel. In the meantime, there could be no question of delaying the Israeli withdrawal.

3. In his roundabout way, the Secretary-General seemed to be saying that his reference in the report to the situation in the Straits was an invitation to the Assembly to discuss the matter and perhaps to provide the Secretary-General with some kind of authority to explore the possibilities of interim settlement. To this extent, he seemed to be trying to meet the Israeli position. He left no doubt about his view that Israel should accept the position in principle that its withdrawal, both from the Straits and from the Gaza Strip, should be unconditional.

4. We enquired whether, in view of the desirability of exploring the situation more fully, the Assembly should perhaps postpone any decision on withdrawal. We wondered whether, for example, the expected Afro-Asian draft resolution could be held in abeyance for a few days. Lall indicated that efforts were being made to tone down the Afro-Asian draft and that perhaps it need not be pressed to a vote this week, provided that a sufficient number of delegations outside the Afro-Asian group should support in principle the contention that the Israeli withdrawal must be unconditional. Later, Fawzi said much the same thing to the Minister. Our interpretation is that Afro-Asian efforts to mobilize support for the draft which Lall was circulating on January 15 were not too successful. Since the Afro-Asians would obviously not like to run the risk of either a defeat or a greatly reduced majority, they have no doubt been persuaded by the response to water down their draft resolution and to present it less vigorously in the Assembly debate this week.

5. The Afro-Asian group was to meet this evening to decide upon their tactics during the next few days. We can only hope that the voices of moderation will be heard and that the result will be to provide the time necessary for working out a more satisfactory approach to the current situation, which is not without its risks.

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224. DEA/50366-40

Le sous-ministre de la Défense nationale
au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of National Defence
to Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, January 16, 1957

Dear Mr. Léger,

Further to our conversation of this date, I am attaching hereto a copy of a message† received from Colonel Dare, the Canadian Commander in Egypt, together with a memorandum from the Chief of the General Staff. Aside from the information in Colonel Dare's message about a possible neutral zone, you will note that the Canadian Reconnaissance Squadron is a requirement that arises out of General Burns' views that Canada should be represented by some element of operational front-line contributions and that he would be strengthened by the presence of Canadian combat elements in the forward area.

This view attributed to General Burns may stem from the original controversy over the Q.O.R. and be an interpretation by him of Canadian attitudes advanced at that time. Since then the Q.O.R. have been stood down; Canada has accepted a large commitment for support elements by both the Army and the Air Force, and it is the view of this Department that any additional contributions should not be accepted unless they are militarily essential; in other words, we are not now pressing for Canadian operational elements to be incorporated in the UNEF just because they are Canadian and front-line forces. If there is a sound military need for this additional contribution, and if Canada, through some circumstances, is in the best position to fill this need, then we will do our best to do so.

You will note that even under the best circumstances there will be a considerable time lag between acceptance by Canada and the arrival of a further Canadian force in the Middle East, and if we have to supply armoured cars the time lag will be very considerable.

As the views set out above are only those of this Department it would be appreciated if we could have the benefit of your opinion on this matter. I think it is essential that a clear Canadian position be developed and advised to our various representatives and to the U.N.[183]

Yours sincerely,
F.R. MILLER

[PIÈCE JOINTE/ENCLOSURE]

Note du chef de l'état-major général pour le ministre de la Défense nationale

Memorandum from Chief of General Staff to Minister of National Defence

SECRET [Ottawa], January 14, 1957

REQUEST BY UNITED NATIONS FOR A RECONNAISSANCE SQUADRON FOR UNEF

1. On 21 December I sent you a memo on this subject and stated in part "I consider that before we accept the commitment for a reconnaissance squadron, we should send an experienced officer out to Egypt to get answers" to certain questions.

2. Colonel MR Dare is now in Egypt as senior Canadian officer in that area; he is an officer of the Royal Canadian Armoured Corps. Before Dare left, I told him to send me information as soon as possible concerning the proposed task of the reconnaissance squadron and to give me his opinion as to the need for a recce squadron, and the organization or form that it should take.

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[183] Note marginale :/Marginal Note:
Jan[uary]. 17 — I discussed this on the telephone with Mr. Murray in New York, who said he would raise it with Mr. Pearson and send us a telegram. K.C. B[rown]

3. I now have a wire from Colonel Dare, copy attached, and it will be noted that in his opinion the proposed task can be carried out by United Nations Forces already in Egypt, but he does consider that General Burns would be strengthened by Canadian representation in the forward area.

4. If we accept the commitment, it would mean the despatch of 105 personnel and 23 Ferret scout cars. We can meet this commitment but it would prejudice our Armoured Corps training to some extent during the coming summer. Furthermore, a ship would be needed to transport the scout cars. No action has been taken to warn the personnel or prepare the equipment, and I estimate that about three weeks would be required from the time we were told to take action until troops and vehicles were at the seaboard.

5. So far as I know, there has been no answer given to the United Nations with reference to this request for a reconnaissance squadron, and perhaps one of the following courses should be taken:

(a) We let the matter stand and await further request from UN.

(b) We inform the United Nations that we will not meet the request.

(c) That we inform United Nations that we will meet the request but, before doing so, would like reaffirmation by UNEF that there is need for both personnel and Ferret scout cars, — and if both are needed, that it will be some six weeks before men and equipment could be in Egypt, and even this depends upon shipping being available.

(d) That, if vehicles are not required, personnel can be flown over within three weeks.

H.D. GRAHAM
Lieutenant-General

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225. DEA/50134-40

Note

Memorandum

(Taken over the telephone from Mr. Murray in New York, January 17, 1957, 11:15 a.m. Mr. Murray said that this Resolution is about to be introduced. The debate is on now in plenary, and we may have to vote on it this afternoon. Present disposition is in favour of it.)

DRAFT AFRO-ASIAN RESOLUTION ON ISRAELI WITHDRAWAL

The General Assembly, recalling its resolutions 997 (ES-1) of 2 November, 1956, 998 (ES-1) of 4 November, 1956, 999 (ES-1) of 4 November, 1956, 1002 of 7 November, 1956, and A/RES/410 of 24 November, 1956.

Noting the Report of the Secretary-General on 15 January, 1957 (Document A/3500),

Notes with regret and concern the failure of Israel to comply with the terms of the above-mentioned resolutions, *Requests* the Secretary-General to continue his efforts for securing the complete withdrawal of Israel in pursuance of the above-mentioned resolutions and to report on such completion to the Assembly within five days.[184]

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226. DEA/50134-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations to Secretary of State for External Affairs

TELEGRAM 259 New York, January 19, 1957

SECRET. IMPORTANT.

Repeat for information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Hague, Bonn, Rome, Copenhagen, Brussels, Lisbon, Djakarta, Rio, Dublin from London and Delhi from Ottawa.

MIDDLE EAST

I had a talk yesterday with Firoz Khan [at] noon with Percy Spender also present.

2. The Pakistani Foreign Minister took up a very strong anti-Nasser position and expressed the fervent hope that we would not give in to him on the question of Gaza, free navigation of the Gulf of Aqaba, or the deploying of the UN force along the demarcation line. He was emphatic that Nasser was a dangerous individual and should be weakened in every possible way. This seems to be another occasion where a Moslem leader says one thing in private and something else in public. He indicated that his own delegation was not entirely united on this matter and that he was having some difficulty preventing the Begum Ikramullah making a strong anti-Israel speech.

3. I also saw Eban and Comay who expressed considerable satisfaction over a statement I had made earlier in the day. Their main preoccupation now is to ensure that the complete Israeli civil administration of Gaza should not be withdrawn immediately, if and when a UN force moves in. They think that in any event it would take some weeks for the UN to be able to exercise efficiently administrative responsibilities in Gaza and that during that

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[184] Le 19 janvier, après deux jours de débats, l'Assemblée générale a adopté la résolution africano-asiatique par un vote de 74 voix pour, 2 voix contre et 2 abstentions. En annonçant l'appui du Canada à la résolution, Pearson espérait que, dans son rapport prochain, le Secrétaire général examinerait « ways and means of stabilizing through UN action the situation *after* the withdrawal has taken place and pending a political settlement which alone can establish real and lasting peace and security in the area. Surely there must be no return to the conditions, if we can avoid it, which helped to provoke the initial military action. » Se reporter au télégramme nº 235 de New York à Ottawa, MAE 50134-40, et Canada, ministère des Affaires extérieures, *La crise du Moyen-Orient, janvier-mars 1957*, Ottawa: Imprimeur de la Reine, 1957, pp. 8 à 10.

On January 19, after two days of debate, the General Assembly adopted the Afro-Asian resolution by a vote of 74 in favour, two against and two abstentions. In announcing Canada's support for the resolution, Pearson hoped that the Secretary General's forthcoming report would consider "ways and means of stabilizing through UN action the situation *after* the withdrawal has taken place and pending a political settlement which alone can establish real and lasting peace and security in the area. Surely there must be no return to the conditions, if we can avoid it, which helped to provoke the initial military action." See New York to Ottawa, Tel No 235, DEA 50134-40, and Canada, Department of External Affairs, *The Crisis in the Middle East, January-March, 1957*, Ottawa: Queen's Printer, 1957, pp. 7-9.

time the Israelis should remain. They are, of course, as is, indeed, everyone else, very worried about what the next five days will bring forth. We are undoubtedly approaching a crisis in the whole problem of the UN and the Middle East, and if we cannot next week in some way relate satisfactorily Israeli withdrawal to the acceptance by the UN of new responsibilities, the whole position of the UN, including the UNEF, in this area is likely to collapse. I wonder whether this is sufficiently realized in Washington?

[L.B.] PEARSON

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227. DEA/50385-40

L'ambassadeur en Égypte
au secrétaire d'État aux Affaires extérieures

Ambassador in Egypt
to Secretary of State for External Affairs

TELEGRAM 54 Cairo, January 19, 1957

SECRET. IMMEDIATE.

Reference: My tel 39 Jan 14.

Repeat for information London, Washington, NATO Paris, Paris, Permis New York (Important) from Ottawa.

By Bag Canberra, Wellington, Karachi, Tel Aviv, Beirut, Athens, Ankara, Moscow from London and Delhi from Ottawa.

SUPPLEMENT TO MY TEL "EGYPT AT THE CROSSROADS"

I wish to advance some considerations further to my telegram under reference suggesting that the Egyptian government is finding itself in a rather tight spot, both internally and also in its relations with the Arab world around it.

2. I suppose nothing that President Nasser has done so electrified the Arab world as his fateful arms deal with the Communist bloc. According to observers who were here then even Nasser himself was surprised by the extraordinary acclaim with which this move was greeted in most parts of the Arab world and which generally overrode ideological reservations. In his present (groups corrupt) of frustration that period must now appear as an Olympian peak which wistfully he would like again to reach if he could. Since that time however, while there have been many ups and downs in his prestige, he has been in my opinion losing considerable ground with his natural friends and allies.

3. There is no doubt that some of the Arab leaders especially King Ibn Saud resented the manner in which he announced the nationalization of the Suez Canal company, with no consultation on a matter which concerned them vitally. In the immediate months following and especially after the Three-Power intervention in Egypt, it was not the moment for his Arab friends to throw this up at him. Now however with relative calm and opportunity to ponder the past and prepare for the future some home truths will undoubtedly be said in the private council chambers of Arab leaders. I am informed that King Ibn Saud on his way through Cairo yesterday and today will find an occasion, with all due courtesy of course as head of one friendly state to another, to leave President Nasser in no doubt that he does not wish to be subjected to a repetition of unilateral steps taken by the President with all their alarming consequences.

4. Up until recently Libya seemed to be falling more and more under the influence of Egypt, but now it is reasserting its natural inclination to be a staunch friend of the West.

What must appear in Cairo as the crystallizing of a trend which might develop at the expense of Egypt was the signing about ten days ago of the pact of amity between Libya and Tunisia, and described as "a corner-stone of North African unity". If this trend towards federation extends all the way to Morocco, where the ruler is known to be highly critical of Nasser, a new force will appear in the Moslem world which in certain circumstances could challenge the pre-eminence of Egypt.

5. It is another dint in the prestige of Egypt that they have had to accept the expulsion of three military attachés from friendly countries, viz Libya, Lebanon and Ethiopia.

6. The Sudan has made appropriately sympathetic gestures towards Egypt during the last few months, but there are now serious misgivings as to the course of Egyptian policy particularly with regard to its too close association with the Communist bloc. I am informed that the Sudanese Ambassador here told the USA Embassy that his country would not make up its mind about the Eisenhower Plan until other countries concerned had registered their views. Sudan was without experience in world affairs and could not afford to be out of step with the majority of its neighbours, and consequently would definitely come down on the side of the consensus. Thus if the consensus favours the Eisenhower Plan, USA government could be assured of full Sudanese support.

7. Since sending my telegram under reference there is more evidence to support my estimate that on balance there will be a comfortable majority of governments in the MidEast which, with varying degrees of qualification, will look with favour on the Eisenhower Doctrine particularly its economic aspects. Even Jordan is wavering, as seen in the recently published remark by King Hussein who, while not giving full support, spoke in friendly terms of the Eisenhower statement. While the Egyptian government is still officially silent on the plan and Nasser has directed a number of enquiries to Washington to elicit further clarification on certain points, the press campaign which is gathering momentum here against the Eisenhower statement is probably a fair indication of what the government really thinks. The general line is that the USA plans to replace Britain and France as the dominant "imperialist" power in the MidEast, that there is no vacuum in this area since, it is claimed, emergent Arab nationalism is already both in effective control and is determined to steer a middle course between the two great powers, and that what are described as the main problems, (1) Israel and (2) the possibility of aggression from quarters other than of Communist origin, are not properly covered. Since these press opinions are being given wide publicity over the radio, the Egyptian government appears to be trying to swing opinion in the Arab world sufficiently against the plan to prevent them from being completely isolated. In this connection we may assume that Nasser asked King Ibn Saud, in his forthcoming trip to Washington, to put in some precautionary words on what the Egyptian allege is the disruptive effect of the Eisenhower Plan. The other day I could not help but overhear Saeb Salaam, the prominent Lebanese businessman and former Prime Minister, urging Wadsworth, USA Ambassador to Saudi Arabia, to endeavour when in Washington to induce his government to view the Arab world as a whole area that needed help and to avoid playing upon the differences among the governments by favouring one group of countries, e.g. Saudi Arabia or Iraq, at the expense of others.

8. President Nasser is fully aware of the fact that he has lost USA confidence and good will, and that it is entirely up to him to demonstrate his good faith if he expects to benefit from the Eisenhower Plan. This puts him in an extremely difficult position vis-à-vis his Arab associates who have hitherto lauded him as a man who can move and make policy independently. But he is under a critical scrutiny not only from the West but I am certain from some of his own friends and allies. Arabs are notoriously impulsive, emotional and given to melodramatic gestures, but in private they no doubt make allowances for these exuberances. Yet I doubt whether a serious misstep in policy on the part of Nasser will

again be overlooked, particularly if it threatens to drag other neighbouring countries down into the abyss.

9. Internally the situation becomes more and more confused and perhaps, without exaggeration, chaotic. The decree to nationalize (the word was then corrected to "Egyptianize") banks, insurance companies and import firms, announced on January 16, exists only in a draft copy so that embassies and other interested establishments cannot as yet secure copies of the law. (I hope to report further on this measure). Published attempts to explain the measure have only darkened the obscurity.

10. A Canadian missionary with years of experience here has just described to us conditions in the villages of Upper Egypt where he lives. Financial burdens are becoming so heavy that there is general discontent and it is particularly resented that forced collections are being made by methods, not too nice, ostensibly for the rebuilding of Port Said.

11. I am reliably informed that there are definite signs of dissidence even within the army and that in particular the officers of the armoured (cavalry) corps have been kicking over the traces. A few of them are being held under arrest. The two Salem brothers are not disguising their disaffection. Some of these will recall that the chief reason that Neguib was removed from office was his lack of political sense and judgment. In similar circumstances, Nasser can expect even less charity since he is not as affectionately regarded in his person as was Neguib. His pre-eminence has been due to his associates' confidence in his political judgment. This judgment is now being tested in the most acute form and if enough of his fellow-officers should decide that his touch has gone and that his judgment shows signs of becoming erratic or suicidal, they would have even better reason to move against him than they had to rusticate General Neguib. There is this difference, Nasser almost certainly would not "go quietly" as did Neguib.

12. While no doubt the Soviet Ambassador is both pouring out words of encouragement and playing upon Nasser's suspicions of the West, the latter must be somewhat sobered by the recent evidence of underground Communist activity. The Communist movement is still illegal here. It has never been strong and it is hard to estimate its strength. The present régime seems to have driven it fairly completely out of the labour unions but since the Suez war there has been a revival of Communist activity marked by the distribution of Communist pamphlets in the main cities. The most sinister of these urges the populace who received arms during the recent hostilities not to surrender them because "the battle against imperialism has not yet been won". I am informed that the Ministry of the Interior is seriously concerned by this and has been strenuously attempting to collect all arms that were distributed but up to the present has not been completely successful. (I think it is a safe inference that a number of these arms have been sold across the borders, as there is always a demand for small arms in this part of the world notably of course in Algeria). This challenge from the Communists, while it may be a sign to Nasser "no larger than a man's hand" still might reveal to him that in Soviet eyes he is definitely expendable. In his present quandary therefore Nasser must be ruminating as to various means by which he can break out from his present constricted position. It would be rash to speculate as to what move he might make but I fear we can rule out one possibility and that is a decisive step towards conciliation and friendship with the West.

13. In the event that this telegram is shown outside the department, paragraph 12 might be deleted as source on Communist activity and government's reaction to it is USA Embassy.

[E.H.] NORMAN

228. DEA/50372-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 257 New York, January 19, 1957

CONFIDENTIAL

Reference: My 256 Jan 19.†

CANADIAN ADVANCE TO INTERIM FUND

In accordance with the instructions in the above telegram, I saw the Secretary General on January 14.

2. I said to the Secretary General that the Canadian Government is anxious to lend its support to his efforts to keep the Canal clearance operations moving satisfactorily, both because of Canada's broad political interest in seeing the waterway re-opened and as an expression UN solidarity in support of the decision taken in the General Assembly. I said that, accordingly, I had been instructed to inform him immediately of the decision to advance $1 million towards the interim fund. I asked him however to keep this info strictly confidential for the time being pending a formal reply to his note of December 25.

3. I said further that the Canadian Government has been assisted in reaching a favourable decision to his request by the assurances which he had already given regarding the strictly interim nature of the financial arrangements now being made and the intention that the advance to the interim fund would be deemed a loan repayable following agreement upon a general programme of financing clearance of the Canal.

4. There were, however, certain other aspects of the question on which the Canadian Government would welcome any further assurances he could provide. The government fully appreciated the urgency of getting the Canal cleared, with a view both to easing tension in the Middle East and to relieving the severe strain which the interruption of traffic has imposed on the economies of many nations. The government, however, had grave apprehensions as to whether either of these objectives, to both of which it attached great importance, would be achieved by the clearing of the Canal without a clear and firm understanding that when it is re-opened freedom of passage will be ensured for the shipping of all nations. He would appreciate that from the domestic Canadian point of view the case for participation in the interim fund was essentially the direct Canadian interest in sustaining the economies of Canada's important friends and trading partners in Western Europe. The Canadian Government would therefore find it extremely difficult to explain to the people of Canada an advance to promote the early clearing of the Canal, if a situation were to develop a few months hence in which the shipping of some of Canada's closest friends were being refused passage through the Canal on political grounds. The Canadian Government had also broader apprehensions regarding possible international implications of a future crisis over Suez, but it was sure that these apprehensions were fully shared by the Secretary General.

5. The Secretary General said that he fully appreciated the concern of the Canadian Government over the future of the Canal. He could not predict the kind of arrangement that would ultimately be worked out but, having regard to the progress already made, he had

good hopes that a satisfactory settlement would be reached. While he could not of course commit any of the governments whose consent to a satisfactory arrangement would be required he assured me that he would use his best efforts:

(a) to achieve assurances that negotiation under the auspices of the UN would be pursued rapidly for an over-all agreement on the Suez Canal problem, having regard to the progress already made, and

(b) to work out a definitive plan for the financing of the total cost of rehabilitation of the Canal which would include provision for repayment of the interim advances to the governments concerned.

6. The Secretary General also said he would use his best efforts to obtain assurances from the Government of Egypt that pending a final settlement of the Suez Canal problem, any operation of the Canal would be in accordance with the principles of the Constantinople Convention of 1888 and in the light of the progress already made, including the six points set forth in the Security Council Resolution of October 13/56. He said that he had received assurances from the Government of Egypt that it supported and would cooperate with the UN in its undertaking to assist in the clearance of the Suez Canal as effectively and as expeditiously as possible. He had also been assured that the Egyptian Government was ready to negotiate a settlement of the Suez Canal problem, having regard for progress already made. In this connection, the Secretary General drew attention to the action of the Security Council (UN document S/3675) and the exchange of letters in elaboration of this action between the Secretary General and the Foreign Minister of Egypt circulated as Security Council Document (S/3728).

7. In view of the assurances of the Secretary General, I felt that it was in accordance with my instructions to inform him officially that the Canadian Government was prepared to advance $1 million dollars to the interim fund. This I did by note of January 17, to which he replied on the same date. Copies of this correspondence† have already been sent to you.

[R.A.] MACKAY

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229. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 284 New York, January 21, 1957

SECRET. IMMEDIATE.

Repeat for information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin, Belgrade from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

On January 19 the Secretary General discussed this matter with the Advisory Committee immediately before the Assembly began the meeting at which the Afro-Asian resolution on withdrawal was adopted by an overwhelming majority. Assuming that the resolution would be adopted the Secretary General spoke about the "negotiation problem" with which he would be faced in the next few days. This problem involved practical issues of the greatest significance and the Secretary General appealed to the Committee for "collective joint thinking on those issues". He invited members to give him their views either in the Advisory Committee or privately.

2. This meeting of the Advisory Committee had been called on the assumption that it would follow rather than precede the conclusion of the Assembly debate. The Secretary General had hoped to have a full discussion about the line which he should adopt in his separate discussions with the representatives of Egypt and Israel. In the absence of an Assembly decision he was not disposed to discuss the problem comprehensively on Saturday morning. He pointed out that there would be a request for full compliance on withdrawal with a time limit of five days for the report. On the other hand the Committee should bear in mind the attitude of Israel and specifically that the Government of Israel was prepared at an early stage "to discuss proposals for arrangements for the Gaza Strip". The Secretary General suggested that the Israeli attitude on Sharm Al Shaikh should also be interpreted as "preparedness to enter forthwith into conversations with the Secretary General". Combining this Israeli attitude with the resolution which the Assembly was about to adopt the Secretary General said that his forthcoming discussions with the representative of Israel should be concerned with "the plan for withdrawal from these two areas and, if these plans are in any way tied up with the proposals for arrangements, to insist on having such proposals on the table". If the Secretary General disregarded those proposals, his report to the Assembly must be confined to compliance or noncompliance with the resolutions on withdrawal.

3. The Secretary General pointed out that his note on the Israeli withdrawal (A/3500 of January 15) had emphasized the great significance of what must come after the withdrawal stage. The debate in the General Assembly had given even more emphasis to that. "From my point of view I would not now like to say more than one thing concerning my own stand; the more I think of this problem the more certain I am of the overriding importance of adherence to the armistance agreements". Before the clash, the Secretary General went on, there was a state of affairs which practically on no point corresponded to what the armistice agreements had established, and if there was to be no return to the *status quo ante* but to a more satisfactory state of affairs, the first reasonable effort should be to reestablish a military situation as close as possible corresponding to the armistice agreements. The present situation might offer certain opportunity in that regard.

4. A directly related question was whether UNEF could be deployed in such a way as to bring about an improved situation. The Secretary General drew attention to two statements in the basic report on UNEF (A/3302 of November 7). Paragraph 8 of that report stated: "It follows from its (UNEF) terms of reference that there is no intent in the establishment of the force to influence the military balance in the present conflict and, thereby, the political balance affecting efforts to settle the conflict". This was intended as a statement of the complete impartiality of the force and it had an important bearing on any additional task which might be given to UNEF. Paragraph 12 of that report included the following: "Nor should the force have military functions exceeding those necessary to secure peaceful conditions on the assumption that the parties to the conflict take all necessary steps for compliance with the recommendations of the General Assembly". This assumed the parties would without exception comply fully with Assembly resolutions. The assumption included withdrawal and also adherence to the armistice agreements.

5. The Secretary General said he had introduced these two quotions because he believed "that they are perfectly sound and that they are helpful in the consideration of how we should use UNEF to the best effect in our general effort to get control of the situation and

move back not to this now so decried *status quo ante* but to *status juris* which gives us a chance for progress towards real solutions". The Secretary General said he would welcome any further views which members of the Advisory Committee might have on this difficult problem and he expected that the Committee would be discussing the whole matter more fully before he made any further report to the Assembly. I expressed the hope that the Committee could meet early in the week.

6. The Secretary General's remarks in the Advisory Committee were in line with views he had expressed privately to us on January 16. At that time he was at pains to explain why he had been unable in his report (A/3500) to go farther than he had in looking towards constructive solutions. He made the following points:

(a) *Gaza*. He did not think it wise to try to force a decision on the future of Gaza at this stage. In paragraphs 11 and 16 of his report he hinted at an extension of UNEF's role but he could not press this too far as long as UNEF was confined to Egyptian territory. Hence his use of the word "responsibilities" in paragraph 11, which signified that UNEF might be stationed on both sides of the demarcation line.

(b) *Sharm Al Shaikh*. After careful consideration he had decided that he could not go farther than what was said in paragraph 14 of his report. There was no doubt in his mind that the objective should be to secure freedom of passage through the Strait. He was very doubtful whether there would be a two-thirds majority in the Assembly now for a resolution directing UNEF to occupy Sharm Al Shaikh for an indefinite period. (Hence the reference in my statement on January 18 to "observers" from UNEF.) Concerning (b) the Secretary General reported that the Israelis were worried about the second sentence of paragraph 14 but it was the Secretary General's view that he would need a new mandate to station UNEF indefinitely on the Straits of Tiran. In the Secretary General's view it might not help for the Assembly to give detailed directions on the deployment of UNEF. He wished to keep this in his own hands for the present. He had to maintain good working relations between UNEF and the Egyptians.

7. As long as the Israeli troops were beyond the armistice lines the Egyptians could argue that there was a state of undeclared belligerency. This made it desirable to avoid an Assembly debate at the present time on the status of the Straits of Tiran and the Gulf, since discussion in present circumstances might prejudice a clear decision later concerning the international character of this waterway. From talks with the Egyptians and other Afro-Asians the Secretary General believed that if the Israelis withdrew from Sharm Al Shaikh and did not try to force the issue in the Gulf, the Egyptians would be very cautious about aggravating the situation there. The Secretary General had reason to believe that Dulles shared these views.

8. In all these circumstances and because we were then (January 16) aware that the Afro-Asian draft resolution on withdrawal had been watered down, we agreed that there would be no advantage either in trying to revise further the resolution on withdrawal or to introduce a concurrent resolution concerning the functions of UNEF along the demarcation line and including perhaps specific reference to its function at Sharm Al Shaikh and in the Gaza Strip. This did not rule out the possibility that a resolution of that kind might have to be introduced at a later stage but at least we would have five days to explore the situation. As matters stand the five days would presumably expire about noon on January 24. The Secretary General hopes that he can forestall a renewed Assembly debate before January 28. The fact that Kashmir will be discussed in the Security Council later this week might afford him the desired opportunity. It was Menon who was most insistent that the Assem-

bly should meet automatically at the end of the five days but he may not be anxious for this to happen at the same time as the Council meeting.

9. In the meantime the Secretary General will continue his talks with the Egyptians and Israelis. He will no doubt consult further with the Advisory Committee and with others directly concerned with this very difficult question. If the Secretary General can produce a report which will meet the situation, that is, the impasse between Israel's insistence on assurances and Egypt's insistence on complete and unconditional withdrawal, the remedy might be simply an Assembly resolution endorsing the report, which would presumably give greater definition to UNEF's functions along the demarcation line. In the absence of a report of this kind and in the face of increased pressure for unconditional withdrawal, it might be necessary to introduce a resolution concerning the régime to be established along the demarcation line and including provisions about the Gaza Strip and Sharm Al Shaikh. Within the delegation we are seeking a formula and, of course, would appreciate any suggestions you may wish to make.

L.B. PEARSON

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230. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 298 New York, January 22, 1957

SECRET. IMMEDIATE.

Repeat for information London, Washington, Paris and NATO Paris.

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi from Ottawa.

MIDDLE EAST SITUATION

Last Saturday's resolution regarding Israeli withdrawal gives us five days to work something out which will avoid deadlock on this whole issue. While the Secretary General should report by Thursday or Friday morning, it is hoped now that the debate on the question will not begin until next Monday. The delay is desirable because the problem to be solved is a very difficult one and not very much progress has yet been made by delegations in the search for a solution which will be acceptable to the two parties mainly concerned, and likely to receive 2/3 majority.

2. The Secretary General began his conversations with Israel and Egypt, as required by the resolution, on Sunday last. He told me yesterday that it had been a bad day and that the prospects were grim because of the unyielding stand of both sides. The Israelis are adamant in their refusal to withdraw further until they get some assurance that the UN will accept responsibility for Gaza, policing the armistice, and ensuring freedom of navigation in the Gulf of Aqaba. The Egyptians insist on immediate unconditional withdrawal before these other matters can even be talked about.

3. We are working in the delegation and with other delegations for some kind of agreed compromise, but are handicapped by the fact that the USA policy in regard to the matter is

far from clear. Perhaps this situation will improve on Lodge's return today from Washington.

4. The best chance of finding a solution would seem to be in the inclusion in the report of the Secretary General of specific references to the UN's responsibilities in the matters referred to above and of suggestions as to how these responsibilities might be carried out. In that case, along with any further resolution on Israeli withdrawal, we could submit a resolution giving Assembly support to the Secretary General's ideas. There might be some chance of getting a 2/3 majority for a resolution on these lines. If this cannot be done, some other action not directly related to the Secretary General's report might be required. The core of any such resolution would be the use of the UN force for policing and administrative purposes in a zone which would have to cross, at some places at least, into Israeli territory, would cover Gaza in some form and to some extent, and also the Gulf of Aqaba. It would also require the demilitarization of the whole zone including Gaza and the Gulf of Aqaba. If we cannot get agreement by one or other of the above procedures, then we will be in serious trouble and the whole UN intervention in the Suez crisis, including the UNEF, may collapse. In default of agreement the Israelis are not likely to leave Gaza or the Straits of Tiran, and the Arabs may not, I think, be able to command 2/3 majority in any effort to bring about sanctions to force them out. It is this latter eventuality which presents the most immediate danger as I see it. I do not think that we should vote for any Arab-Asian resolution which proposes sanctions if the Assembly refuses to accept any responsibility for these wider and related problems. This, however, may be interpreted as a departure from our previous attitude and may indeed involve a difference of policy with the USA, though this is not yet certain.

5. The issues are not, of course, as dramatic as they were last November but in the long run they are just as serious, especially for the future of the UN. If it is felt in Ottawa that we should demand unconditional Israeli withdrawal from Gaza and the Aqaba area, and agree to diplomatic and economic pressure to this end through an Assembly resolution, I would be grateful to learn about it at the earliest possible opportunity. We shall soon have to make some very important decisions.

[L.B.] PEARSON

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231. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to United Nations

TELEGRAM ME-32 Ottawa, January 22, 1957

CONFIDENTIAL. MOST IMMEDIATE.
Repeat for information London, NATO Paris, Paris, Washington and Cairo (Important).

ISRAELI WITHDRAWAL

Following for the Minister. As you know, we have been examining possible ways of getting around the impasse which has developed over the Israeli withdrawal. Our conclusion is set forth in the following paragraphs which, if you agree, might serve as the basis of an aide-mémoire which I could discuss with Merchant here tomorrow and which might perhaps be of assistance to you and Mr. Heeney in any talks you may be having in New York and Washington. In view of the need to act quickly if representations along these lines are to have a useful effect, I should be grateful to have your comments as soon as possible. Text begins.

(1) Information from the Canadian Delegation in New York suggests that the General Assembly is faced with a grave dilemma, perhaps one of the gravest in United Nations history. Our reading of the signs is that unless some positive action by all countries concerned but more particularly by the United States is urgently forthcoming, the Assembly may be faced within the next few days with a complete breakdown of the U.N. effort in the Middle East.

(2) Establishment of UNEF was an essential factor in securing the cease-fire in early November. Its continued effective existence is no less important now if a return to border incidents is to be prevented between Egypt and Israel and if the United Nations is to assist in building the measure of stability and confidence needed to enable a start to be made on a political settlement.

(3) In addition to our general judgment that UNEF has a vital continuing role to play, our position as initiator of the force increases our concern that it should not be allowed to fold up in the face of the issue of Israeli withdrawal. We presume that other governments, including the United States, which supported UNEF's formation, share our concern.

(4) The future role of UNEF has now become inextricably tied up with the problem of the Israeli withdrawal. Even if the Secretary-General considered that existing resolutions gave him the necessary mandate to place units of the force in Sharm-Al-Shaikh and Gaza, he could not take action accordingly because, as matters now stand, the Israelis would not allow it unless they received certain guarantees. It would not be consistent with UNEF's terms of reference for the Secretary-General to order General Burns to move into the disputed areas by force of arms. Nor are the Egyptians, nor a majority of the Assembly, disposed to concede or even to discuss with Israel the guarantees Israel demands until all Israel's forces have been withdrawn behind the 1949 armistice lines.

(5) The Secretary-General has until Thursday or Friday of this week to prepare his report on the Israeli withdrawal in response to the Assembly resolution of January 19. The Canadian delegation reports from New York that up to yesterday, January 21, the Secretary-General's talks with the parties had apparently made no progress. It now appears unlikely that the Secretary-General will succeed in his efforts to reach a compromise between the Israeli and Egyptian positions, i.e. a compromise which, while providing for the completion of the Israeli withdrawal, would at the same time offer Israel some compensatory assurances concerning freedom of passage and the prevention of raids, and which would give UNEF a provisional function at Sharm-Al-Shaikh and in Gaza. If the Secretary-General does indeed fail to break the deadlock, the Arab states, aided by the Soviet group and a large number of Asian members, can be relied on to prepare a resolution calling for sanctions against Israel, and this might be difficult for the United States and perhaps ourselves not to support.

(6) The Egyptians are in a stronger bargaining position than the Israelis. A large majority of opinion in the Assembly is behind Egypt in its contention, which we share, that the primary element in the November 2 resolution was the injunction to withdraw. The Egyptians also have a strong bargaining point, if they care to use it, by virtue of their power to discriminate against shipping in the Suez Canal, which will be open in not much more than a month. It seems unlikely that the Egyptians will see any reason to lower their price; the only conceivable factor which might incline them towards compromise would be United States willingness to help them through their imminent economic crisis by some form of

financial or economic aid. But it is extremely doubtful at the present stage that Egypt would put material aid before political principle and prestige.

(7) If Egypt will not yield, can anything be done to move the Israelis? We think that there may be some hope of this if the U.S. is prepared to use its influence with Israel. Somehow the Israelis will have to be persuaded to withdraw without prior assurances. This would admittedly mean that they would be obliged to lean on the good faith of the Assembly and more particularly on the ability of the Secretary-General to negotiate an acceptable solution of immediate Israeli pre-occupations. Our guess is, however, that once the Israelis have fully withdrawn, there could develop a good deal of support in the Assembly for Israel's position, and that this current of opinion might well find expression in a resolution defining the functions of UNEF as applying to Gaza and the Straits of Tiran (although Egypt might reasonably insist that UNEF's role required it to operate at least in part on Israeli territory, perhaps in territory adjoining the Gaza Strip). There have been indications that Egypt would not resist some form of U.N. supervision on its border with Israel.

(8) In view of the short time available before the Assembly must return to this item, we think that the U.S. authorities should know immediately of our belief that intervention by them in the sense indicated in paragraph 7 above, holds out the best if not the only prospect of resolving the current dilemma. Moreover, we think that they should be aware of our view that a critical stage has been reached in the United Nations' effort to settle the problems of the Middle East. We seriously fear that unless the United States acts, as we believe it can, to break the deadlock, all the good work that has so laboriously been done by the establishment of UNEF and the supervision of the cease-fire may fall to the ground. Text Ends.

[J.] LÉGER

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232. DEA/50366-40

Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre de la Défense nationale

Under-Secretary of State for External Affairs
to Deputy Minister of National Defence

SECRET Ottawa, January 23, 1957

Dear Mr. Miller,

I refer to your letter of January 16, 1957 asking for my views as to the desirability of Canada supplying an Army Reconnaissance Squadron for service with the United Nations Emergency Force.

2. According to a message from Lieutenant-Colonel Pope to your Department (POLEG 281 of January 21†) our Permanent Mission in New York has received, or will shortly receive a formal request from the United Nations Secretariat for Canada to provide a Ground Reconnaissance Unit. I presume that the Permanent Mission will be forwarding this request to us in the next day or two, and I shall of course inform you immediately that it is received here.

3. In the meantime I have received from Mr. Pearson an expression of his views on this subject. These are that we should make every effort to meet this request from the United Nations. He believes that General Burns is very anxious to have some Canadian troops in the forward element of the United Nations Emergency Force, and reports that both Burns

and the United Nations officials in New York believe that the inclusion of a Canadian unit of this kind would be psychologically beneficial to UNEF, and would increase the effectiveness of ground patrols along the demarcation line. In Mr. Pearson's view this is sound reasoning, certainly from the political standpoint.

4. In addition, he has pointed out that there is some possibility that the functions and responsibilities of the UNEF might be extended in the near future. He suggests therefore that in all these circumstances we should perhaps look somewhat beyond the immediate military needs of the UNEF in deciding whether to provide the Reconnaissance Squadron.

Yours sincerely,
JULES LÉGER

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233. DEA/50134-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations to Secretary of State for External Affairs

TELEGRAM 307 New York, January 23, 1957

CONFIDENTIAL. MOST IMMEDIATE.
Reference: Your tel ME32 Jan 22.
Repeat for information Washington (Most Immediate), London, Paris, NATO Paris and Cairo from Ottawa (Immediate).

ISRAEL WITHDRAWAL

This is to confirm our phone conversation about the revisions I have made in the draft memo contained in your telegram under reference. Since these revisions occur in paragraph 5 and following, I am now sending you the last four paras as revised. Begins:

5. The Secretary-General has until Thursday or Friday of this week to prepare his report on the Israeli withdrawal in response to the Assembly resolution of January 19. The Canadian delegation reports from New York that up to yesterday, January 21, the Secretary General's talks with the parties had apparently made little progress. It now appears that the Secretary General may not succeed in his efforts to reach a compromise between the Israeli and Egyptian positions, i.e. a compromise which, while providing for the prompt completion of the Israeli withdrawal, would at the same time offer Israel some compensatory assurances concerning freedom of passage and the prevention of raids, and which would give UNEF at least a provisional function with respect to freedom of navigation in the Gulf, and in the Gaza Strip. If the Secretary General does indeed fail to break the deadlock, the Arab states, aided by the Soviet group and a large number of Asian members, can be relied on to prepare a resolution calling for sanctions against Israel, which would be difficult either to support or oppose.

6. The Egyptians are in a strong bargaining position at the Assembly. A large majority of opinion there is behind Egypt in its contention, which we share, that the primary element in the November 2 resolution was the injunction to withdraw. The Egyptians also have a strong bargaining point, if they care to use it, by virtue of their power to exercise control of and discriminate against shipping in the Suez Canal, which will be open in not much more than a month; or even in regard to clearance of the Canal. It seems unlikely that the Egyp-

tians will see any reason to lower their price, especially while they think that Assembly action might be effective in forcing the Israelis out of Gaza and the Straits of Tiran. A factor which might incline them towards compromise would be USA willingness to help them through their imminent economic crisis by some form of financial or economic aid. But it is doubtful at the present stage that Egypt would put material aid before political and prestige considerations.

7. If Egypt will not yield, what can or should be done to convince the Israelis that they should withdraw at once? We think that there may be some hope of this if the USA is prepared to use its influence both with Israel and at the Assembly along the following lines. Somehow the Israelis will have to be persuaded to withdraw without prior conditions but with assurances of UN action which will take effect as soon as they withdraw. This would admittedly mean that they would be obliged to lean on the good faith of the Assembly and more particularly on the ability of the Secretary General to negotiate — and the Assembly to ratify — an acceptable solution of immediate Israeli pre-occupations. Our guess is, however, that once the Israelis have fully withdrawn, there could develop a good deal of support in the Assembly for Israel's position, and that this current of opinion might well find expression in a resolution to be acted on immediately after the withdrawal resolution defining the functions of UNEF as applying to Gaza and the Straits of Tiran (although Egypt might reasonably insist that UNEF's role required it to operate at least in part on Israeli territory, perhaps in territory adjoining the Gaza Strip and in El Auja). There have been indications that Egypt would not resist some form of UN supervision on its border with Israel.

8. In view of the short time available before the Assembly must return to this item, we think that the USA authorities should know immediately of our belief that intervention by them in the sense indicated in paragraph 7 above, holds out the best if not the only prospect of resolving the current dilemma. Moreover, we think that they should be aware of our view that a critical stage has been reached in the UN's effort to settle the problems of the MidEast. We seriously fear that unless the USA acts, as we believe it can, to break the deadlock, all the good work that has so laboriously been done by the cease-fire may fall to the ground. Ends.

L.B. PEARSON

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234. DEA/50134-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations to Secretary of State for External Affairs

TELEGRAM 316 New York, January 23, 1957

SECRET. IMMEDIATE.

Repeat for information London, Washington, Paris and NATO Paris.

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

Yesterday (January 22) I discussed this subject with Lall who had asked to see me. He said that he wished to present some "moderate views" about the current impasse between Egypt and Israel. Lall had previously spoken in the same vein to a number of other people immediately concerned with the problem. He mentioned, in particular, the Secretary General, Lodge and Fawzi. I gathered that his conversation with Fawzi took place about a week ago.

2. Lall had gained the impression that the Egyptians were prepared to let a *de facto* situation develop in which ships of all flags would be allowed free navigation in the Straits of Tiran and in the Gulf of Aqaba as long as they were pursuing peaceful purposes. Lall thought it would be a mistake to insist at this stage on a "crystallization" of that situation. The Egyptians might be forced into opposition if any attempt were made to define the conditions in which the freedom of navigation would be exercised. At a later stage it might be desirable for the Assembly to ask the International Court for an advisory opinion on the status of the waters. It was Lall's impression that the Court's opinion might be in favour of Israel. It would be inadvisable to take this step, however, at the present time.

3. To give some assurance to the Israelis that the Egyptians would allow a *de facto* situation to develop UNEF should move into Sharm Al Shaikh on the heels of the Israeli withdrawal and should take its time in following the withdrawal from Sharm Al Shaikh to the demarcation line. Lall suggested that the poor condition of the roads, the roughness of the terrain and other factors could serve as reasons why UNEF should remain in the vicinity of the Gulf and Sharm Al Shaikh for several weeks. During this period normal ship traffic in the Gulf would presumably continue. If it did not, UNEF would be on hand to ascertain the cause for any disruption in the traffic. Lall implied that UNEF could perform this function in the ordinary course of following up the withdrawal and without any further definition of UNEF's role.

4. I said that Fawzi had left me with the impression that Egypt might be able to acquiesce in the kind of situation Lall had described. The Secretary General also seemed to share Lall's views about the part which UNEF might play. I said that we had been wondering whether a few UNEF observers in the vicinity of Sharm Al Shaikh together with some aerial patrolling in the Gulf might not met the immediate needs of the situation. The main question was, however, whether the Israelis would withdraw; they would no doubt require some assurance that the situation which Lall had described would in fact develop. Lall's suggestion was that if a sufficient number of delegations were to express to the Israelis their views about future developments in the Gulf and in the Straits, the Israelis should be reassured to the extent of withdrawing from Sharm Al Shaikh.

5. I asked Lall about future arrangements for policing the demarcation line. Lall readily agreed that UNEF should be deployed along the demarcation line, that the opposing forces should be withdrawn about a mile or two from the line, that efforts should be made to restore the armistice agreement to full effect. There had been no suggestion in Delhi that the Indian contingent would be recalled once the Israeli withdrawal had been completed. Lall's attitude was encouraging because from remarks which Menon had made in the Assembly we had begun to doubt whether India would cooperate in any attempt to improve the situation along the demarcation line through the deployment of UNEF.

6. Lall wondered whether the Israelis would permit UNEF to operate within their territory. I said that this would be necessary, particularly in the vicinity of El Auja. I suggested that the area of UNEF operation within Israel might be less than that on the Egyptian side

of the demarcation line. Lall acknowledged that this might have to be the case although the arrangement of the UN zone should not appear too one-sided.

7. As for the Gaza Strip Lall said there should be a "heavy impregnation of UN authority". He had in mind that UNEF would be thickly deployed along the demarcation line, bordering the Strip, that there should be a nominal return to Egyptian administration, but that UN supervision of this administration should be enlarged particularly in relation to the administration of refugee affairs. Moreover, determined efforts should be made in the near future to reach a solution of the refugee problem in the Gaza Strip. Lall had been urging the Egyptians and the Syrians to give consideration to plans for resettling the Gaza refugees in other Arab areas. Accompanying steps should be that Israel agree to a token repatriation from the Gaza Strip and compensation should be arranged for refugees which had to be resettled in other Arab lands.

8. We also discussed the possibility of demilitarizing the Gulf of Aqaba. I pointed out that the Israelis had two or three naval vessels in the Gulf and this might suggest that they were planning to organize a naval base at Elath. This could be a source of anxiety not only to Egypt but to Jordan and Saudi Arabia. It might jeopardize the possibility of establishing free navigation for all peaceful shipping in the Straits of Tiran and in the Gulf. In these circumstances it might be desirable to demilitarize the Gulf. This would mean that the Israeli warships should be withdrawn and that the Arab states bordering the Gulf should be precluded from establishing gun positions from which shipping in the Straits and the Gulf could be controlled, and of course they would not be allowed to establish a naval blockade at the southern entrance to the Gulf. A more lasting solution would be to conclude an international agreement among the riparian States but as an interim measure the General Assembly might prescribe demilitarization for the Gulf. Lall did not dismiss this as a possibility but he left me with the impression that he regarded any such proposal on demilitarization as something which should be pursued after the immediate problem of Israeli withdrawal (including whatever accompanying steps that could be taken to assure Israel) had been solved.

[L.B.] PEARSON

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235. DEA/50134-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 168 Washington, January 23, 1957

CONFIDENTIAL. IMMEDIATE.

Reference: Candel Tel 307 Jan 23 and External Tel ME32 Jan 22 to CANDEL.

Repeat for information Candel New York (Immediate), London, NATO Paris and Paris.

MIDDLE EAST

Following my phone conversations with the Minister and with the Under-Secretary, I arranged, as agreed, to see Phleger, State Department Legal Adviser, in order to transmit the aide mémoire set out in the revised form indicated in your telegrams under reference. He was accompanied by Rickwell of the office of Near Eastern Affairs, DePalma, UN Political and Security Affairs, and Meeker of his own division. The presentation of the aide mémoire was timely and served the useful purpose of emphasizing again your real concern at the prospect of deadlock in the continuing UN effort in the Middle East.

2. On the central argument of our aide mémoire (paragraph 7 of your telegram under reference), Phleger questioned the prospect of persuading the Israelis to withdraw without prior conditions, but only with assurances of subsequent UN action to preserve the position, through the employment of UNEF in Gaza and the Straits of Tiran. He thought that the time was shortly coming when it would be necessary to remind the Egyptians of the obligations they had undertaken in the November 2 resolution, and to make it clear that the complete withdrawal of the Israeli forces must be matched by corresponding action on the part of Egypt to comply fully with terms of earlier UN resolutions. Phleger was afraid that if the Assembly should insist upon Israeli withdrawal without at the same time making adequate provision for protecting the UN position in Gaza and the Straits of Tiran, through the deployment of UNEF, the bargaining position of Egypt would be strengthened, and the prospects of an adequate and effective settlement on the lines of our common objectives would be more difficult to realize.

3. From our ensuing discussion which covered a wide field, the present USA position may be summarized in the following propositions:

(i) The present State Department appreciation of the state of Hammarskjöld's negotiations with the parties is of this moment rather less pessimistic than indicated in our aide mémoire. The State Department is still hopeful, although it may be a dwindling hope, that Hammarskjöld may be able to make some progress with the parties. They recognize, however, that the public statement of Ben-Gurion, and the strong bargaining position of the Egyptians, are likely to militate against the success of the Secretary-General's efforts to reach an agreed solution.

(ii) Even if Hammarskjöld should not be able to secure agreement on the lines proposed in your speech in the Assembly on January 18, and the similar views expressed by Lodge, the State Department consider that the best pathway to progress still lies in the Secretary-General's efforts and in his report. Although no agreement with the parties may be possible within the time limit, they hope that Hammarskjöld may be persuaded in his report on compliance to present his own views of the requirements of the situation in terms which would provide both for Israeli withdrawal and for an adequate vote for UNEF in the Gaza Strip and in the Straits. If the Secretary General comes forward with such proposals, the State Department would expect that the Assembly should take formal action to accept them, and thus continue the pressure on the parties to move forward on these lines.

(iii) On the other hand, the State Department recognizes quite clearly the strong possibility of action by the Arab-Asian bloc to produce a condemnatory resolution with provision for sanctions against Israel. The estimate of those closest to UN operations is that the Americans could in fact muster sufficient support in the Assembly to ensure that any resolution proposing sanctions would fail to obtain a two-thirds majority. They made it clear that in fact the USA would not support, and indeed would oppose, a sanctions resolution against Israel.

(iv) If such a sanctions resolution should be forthcoming, the State Department is at present thinking of putting forward an amendment or an alternative resolution which would place obligations on both parties, possibly by restating in the preamble the obligations on Egypt to ensure freedom of navigation in the Gulf and the prevention of raids across the frontiers. (I should emphasize that the State Department's ideas here are at a very early stage).

4. Of these various possibilities, the first aim should be to attempt to persuade the Secretary-General to take the line indicated in subparagraph (ii) above. We have the impression that instructions will be sent to Lodge at once asking him to see the Secretary-General again, and to consult closely with you and the delegation in New York. In addition to the part which Canada has played in the establishment of the force, our role on the Advisory Committee seemed to Phleger to provide a further opportunity for trying to steer matters in the direction suggested. Above all, the view here is that in the last resort our common objectives can only be reached through negotiation, since the consent of the Egyptians and the Israelis is required to permit UNEF to assume the new functions. There is no difference of view that UNEF is the key to the present problem of holding the line in the area.

5. The State Department think it will be possible that the Assembly discussion on the Secretary-General's report can be held off until Monday.

[A.D.P.] HEENEY

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236. DEA/50134-40

L'ambassadeur aux États-Unis
au représentant permanent auprès des Nations Unies

Ambassador in United States
to Permanent Representative to United Nations

TELEGRAM 9 Washington, January 25, 1957

CONFIDENTIAL. IMMEDIATE.

Reference: Our tel 168 Jan 23.

Repeat for information Ottawa (Immediate), London, Paris and NATO Paris.

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn and Delhi, Tokyo from Ottawa.

ASSEMBLY ACTION ON SECRETARY-GENERAL'S REPORT

We have discussed with DePalma (Office of UN Political and Security Affairs) the follow-up action envisaged by the State Department following submission of the Secretary-General's report.

2. DePalma showed us in confidence a copy of a proposed draft resolution which he thought would shortly be going forward to the USA Delegation in New York. This draft resolution begins by recalling earlier General Assembly resolutions beginning on November 2, and including the resolution of January 19, and records the receipt of the latest report by the Secretary General. It then goes on to note with "grave concern" the failure of Israel to withdraw its forces behind the armistice lines despite requests of the General Assembly. It calls upon Israel to arrange for the complete withdrawal of Israeli forces without further delay, but at the same time calls upon both Egypt and Israel to observe the positions prescribed in 1949 armistice agreement. It then calls for approval of the recommendations of the Secretary-General's report, and the measures required as a result of that report which are to be implemented on the withdrawal of Israeli forces. Finally, it urges all members to observe and respect these recommendations, and consequential measures, and to extend full cooperation.

3. DePalma explained that the background of a resolution of this type lay in the generally satisfactory character of the Secretary-General's report. In the view of the State Department, it was a "courageous" document, and despite some obscurities, laid down the essential lines on which progress might be made at the present moment to maintain and expand the role of UNEF.

4. The USA was anxious to stave off an Arab-Asian resolution calling for sanctions against Israel and the delegation would be instructed to discuss a text on these lines with the Secretary-General, with the Minister, and with other friendly delegations who might be interested in co-sponsorship (for example, Brazil, India and Norway) in the hope that an acceptable resolution could be formulated capable of receiving the necessary two-thirds majority.

5. DePalma said that he understood the present Canadian position to be that there would need to be reference in such a resolution to specific authority to provide for the deployment of UNEF on both sides of the armistice lines, as well as in the area of Aqaba, and the Gaza Strip. The present thinking in the State Department is that such a detailed spelling out of UNEF responsibilities in the resolution at this time might not be the best course. While the State Department agrees with the objectives of bringing about a UNEF operation on both sides of the armistice lines, and especially in the Gaza Strip and at El Auja, they are inclined to doubt that these objectives should be specifically tied in with a General Assembly decision just at this time. The first consideration is that Israel should be urged to withdraw. The State Department believes that the problem of stationing UNEF on both sides of the armistice line is one for the next phase of operations, and that this is especially true in connection with the use of UNEF in the Gaza Strip. The fact that Israel desires the strengthening of the role of UNEF in the Gaza area, and generally agrees with the objective of prolonging the stay of UNEF, might induce them soon to agree to the deployment of UNEF on the Israel side of the line, which it is assumed the Egyptians will press to bring about.

6. Further, it is believed here that there is no question that the Secretary General has the authority to station UNEF in the Gaza area, with some form of Egyptian administration, as the Secretary General has proposed, and further consideration should be given to the possibility of expanding the UN role at Gaza. The State Department considers that the precise requirements for further Assembly action might better be deferred until after the arrival of UNEF in the area.

7. DePalma also indicated that the Secretary-General considers that he has an adequate basis at present for using UNEF elements in the vicinity of Tiran, and that the force could remain in this area at least until the Egyptian Government gives an assurance that it will not assert belligerent rights. At this stage, further UN action would then be required to keep at least UNEF observers on the spot.

8. In general terms, therefore, the view here is that the Secretary-General's report as it stands provides a satisfactory basis for immediate progress, and the USA delegation seems likely to be encouraged to endorse the Secretary General's report, and deal with the matter on a "flexible" basis.

9. It should be noted, however, that the views set forth in paragraphs five and six above are not finally fixed, and that modifications in the direction of more specific reference to UNEF's tasks would be made if, in the view of the Secretary-General, this is desirable, and if such action would not prejudice the chances of obtaining the necessary majority. The State Department, for example, might be prepared to accept some reference in the draft resolution to an expression of readiness on the part of the Assembly "to consider further

steps as required" to give effect to the recommendations and measures proposed in the Secretary-General's report.

10. Another possible change which the State Department might have to accept in a resolution of the type proposed would be a somewhat stronger condemnation of Israel for its failure to carry out the Assembly's request to withdraw.

11. The foregoing info was collected at some haste in our discussion with DePalma, but we believe it substantially represents the line the USA Delegation in New York is likely to take. We were also handicapped by not having seen any text or summary of the Secretary-General's report. We would be grateful, however, since final decisions here have not been reached, if the info in this message could be regarded as for background at this stage.

[A.D.P.] HEENEY

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237. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 354 New York, January 25, 1957

SECRET. IMMEDIATE. CANADIAN EYES ONLY.
Repeat for information Washington and London.

ISRAELI WITHDRAWAL

We have prepared a preliminary draft of a resolution which Canada, together with the USA, Norway, Colombia and others, would introduce early in the resumed debate on this subject. During the next day or so we shall be discussing this text with the Secretary-General and other possible co-sponsors. The Minister wishes to emphasize that the text is provisional and may well be changed before it is submitted to the Assembly. The question of sponsorship will not be decided until we have firm views about the text.

2. The Minister would be glad to have your comments and those of Robertson and Heeney. He would prefer, however, to consult on this text with the UK and USA through their delegations here.

3. The operative part of the draft resolution reads as follows. We shall add a preamble later. Begins:

(1) Notes with approval the Secretary General's report ( ) of January 26;

(2) Deplores the non compliance of Israel with resolutions of the General Assembly regarding the withdrawal of its forces behind the armistice demarcation lines and demands that Israel complete that withdrawal without further delay;

(3) Recognizes that withdrawal of forces must be followed by action which would represent real progress towards the creation of peaceful conditions in the region;

(4) Urges the Governments of Israel and Egypt to reaffirm their undertakings under the General Armistice Agreement between them of February 24/49, and to take all necessary measures to return to full implementation of that agreement;

(5) Instructs the Secretary General to make arrangements after consultations with the parties concerned for the deployment of the UNEF on both sides of the armistice demarca-

tion line, and in the Gaza Strip, so that it may be in a position to assume the supervisory duties of the Truce Supervision Organization in all the territories where the Organization now functions under the armistice agreement between Egypt and Israel;

(6) Instructs the Secretary General to delimit, in agreement with the parties concerned, the area in which the UNEF will be deployed to prevent incursions and raids across the armistice demarcation line; and to maintain quiet and peaceful conditions along the line;

(7) Requests the Israeli and Egyptian Governments to remove all military forces from this area of deployment;

(8) Authorizes the Secretary General, through a civil and military mission to be selected by him, to assist in and supervise the replacement of the present civil administration of Gaza, and to take steps to ensure that this area shall not be used as a base for incursions and raids against Israel;

(9) Recommends that determination of the legal status of the Gulf of Aqaba and the Straits of Tiran should be sought from the International Court of Justice, which should be accepted by the countries concerned, and pending this determination calls upon the parties to the armistice agreement to give assurances that they will not assert or exercise any belligerent rights in these waters, or interfere in any way with the right of innocent passage therein;

(10) Authorizes air and ground units of UNEF, on the withdrawal of Israeli forces from the Gulf of Aqaba area, and through arrangements with and in cooperation with the Egyptian authorities, to assist in the establishment and maintenance of peaceful conditions in the area, based on mutual restraint and non-interference, and in the prevention of acts in contravention of the preceding paragraph.

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238. DEA/50134-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures[185]

Permanent Representative to United Nations to Secretary of State for External Affairs[192]

TELEGRAM 365 New York, January 26, 1957

SECRET. IMMEDIATE. CANADIAN EYES ONLY.
Repeat for information Washington and London.

ISRAELI WITHDRAWAL

As we indicated on the phone the Minister had discussions last evening (Friday January 25) with Lodge and Dixon about our draft resolution, which we have shown to the delegations of the USA, UK, Australia (in an effort to head off Spender) and Norway. Earlier in the day the Minister had discussed the draft with the Secretary General whose reaction was favourable.

2. In the conversation with Lodge it was agreed that the proposed resolution should be co-sponsored by seven or eight powers probably including the following: Canada, Colom-

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[185] Note marginale :/Marginal Note:
Mr. Elliott
This came to me from Mr. Watkins & has not been registered or anything. [H.B.] R[obinson]

bia, Norway, India, Burma, Brazil or Peru and Yugoslavia. Lodge said he would approach Fawzi and Menon in an effort to persuade them to accept the resolution along the lines we were thinking. The Minister informed Lodge that we would be speaking to the Egyptians on January 27. The Minister emphasized that we would not wish to have the resolution watered down too much in order to attract support from India and other Afro-Asians. Our draft was intended as a document which might serve as the "other international instrument" which the Israelis had said in their aide mémoire of January 23 would give them the kind of assurances they were seeking prior to withdrawal from Sharm Al Shaikh. Lodge said that he liked the Canadian text but that it might be necessary to make some changes in order to ensure that the resolution passed with a two-thirds majority.

3. Lodge then showed us a USA text, which we understand was approved by Dulles. We assume it is the one referred to in Washington telegram 9 of January 25. Lodge had discussed this text with the Secretary General who told the Minister that, although such a resolution would probably attract wide support, it would be of little assistance to the Secretary General because it would give him no guidance on how he should proceed. The USA text "Approves the recommendations and measures proposed by the Secretary General in his report" and requests him "on this basis to undertake discussions with the parties". In fact the Secretary General has made no "recommendations" although he has suggested a possible basis for negotiation. He told the Minister he would much prefer our text.

4. Lodge suggested that it would not be too difficult to integrate the two texts. We agreed and this has been done. The revised text is contained in my immediately following telegram. The phrases in brackets are still under consideration and there will undoubtedly be other suggestions for revision.

5. The USA delegation today sent the joint text to the Egyptians as a "working draft". We gathered last evening that Lodge would today discuss the whole matter with Fawzi. Also today the Minister discussed with Lall the various ideas which were contained in our draft resolution. The Minister explained the tactics we proposed to follow and said that Lodge would probably approach Menon about sponsorship. Lall did not see the text but he seemed generally receptive to most of the proposals which have been incorporated in it.

6. Lall envisaged that when the debate resumed on January 28, while it might be a heated discussion it would not involve any resolution. Most of the Afro-Asians have agreed to the suggestion that after a general debate on the current situation in the MidEast the Assembly might adjourn for a day or so to give delegations an opportunity to reach an understanding about resolutions. We hope that matters will proceed this way but it will be necessary to be fully prepared for alternative moves in the Assembly. As you know the Australians have a draft resolution and we understand that the Netherlands delegation has received instructions to co-sponsor it. There has been some talk about a wildcat Arab draft resolution. In these circumstances we cannot be too sure that the present encouraging trend will be allowed to continue.

[R.A.] MACKAY

239. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 366 New York, January 26, 1957

SECRET. IMMEDIATE. CANADIAN EYES ONLY.
Reference: Our immediately preceding tel.
Repeat for information Washington and London.

ISRAELI WITHDRAWAL

The following is the revised text of draft resolution referred to in our immediately preceding telegram: The General Assembly,

1. Recalling its resolutions of November 2, 4, 5, 7 and 24/56 and January 19/57;

2. Having received the report of the Secretary General contained in Document A/3512 of January 24/57;

3. Deplores the non-compliance of Israel with resolutions of the General Assembly regarding the withdrawal of its forces behind the armistice demarcation line and demands that Israel complete that withdrawal without further delay;

4. Notes with satisfaction the Secretary General's report A/3512 of January 24; and approves the recommendations and measures proposed by the Secretary General in his report, which are to be carried out upon the withdrawal of Israeli forces;

5. Recognizes that withdrawal of forces must be followed immediately by action which would represent real progress towards the creation of peaceful conditions in the region;

6. Calls upon the Governments of Egypt and Israel scrupulously to observe the provisions of the 1949 armistice agreement, (and to this end to refrain from all acts of hostility including the exercise (by either party) of any claim to belligerent rights);

7. Instructs the Secretary General to make arrangements after consultations with the parties concerned, for the deployment of the UNEF on both sides of the armistice demarcation line, and in the Gaza Strip, so that it may be in a position to assume the supervisory duties of the Truce Supervision Organization in all the areas where the Organization now functions under the armistice agreement between Egypt and Israel; to prevent incursions and raids across that line; and to maintain quiet and peaceful conditions along the line;

8. Requests the Israel and Egyptian Governments to remove their military forces from these areas of deployment;

9. Authorizes the Secretary General, through a civil and military mission to be selected by him, to assist in and supervise the replacement of the present civil administration of Gaza, and to take steps to ensure that the Gaza Strip shall not be used as target for attacks from Israel;

10. Recommends that determination of the legal status of the Gulf of Aqaba and the Straits of Tiran should be sought from the International Court of Justice, which should be accepted by the countries concerned, and pending this determination calls upon the parties to the armistice agreement to give assurances that they will not assert or exercise any belligerent rights in these waters, or interfere in any way with the right of innocent passage

therein; (calls upon the parties and other governments concerned, pending a final determination of the status of the Gulf of Aqaba and the Straits of Tiran to give assurances that they will not assent...etc.)

11. Authorizes the Secretary General to arrange for air and ground units of UNEF, on the withdrawal of Israel forces from the Gulf of Aqaba area, and through arrangements with and in cooperation with the Egyptian authorities, to assist in the establishment and maintenance of peaceful conditions in the area, based on mutual restraint and non-interference, and in the prevention of acts in contravention of the preceding paragraph;

12. Urges all members to observe and respect these recommendations and measures and to extend their full co-operation in giving them effect;

13. Requests the Secretary General to report, as appropriate, to the General Assembly.

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240. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs

DESPATCH 32 New York, January 28, 1957

SECRET

ISRAELI WITHDRAWAL FROM SINAI

On the afternoon of January 26 Mr. Comay, on behalf of Mrs. Meier, again discussed this subject with me. At that time Mr. Eban was in Washington consulting with the State Department on the same matter. I asked Mr. Comay for his views on the Secretary-General's report (A/3512 of January 24) but he offered little comment, saying only that the report was ambiguous and that he did not understand what the Secretary-General was trying to achieve. There were, as far as Comay could see, no recommendations in the report.

2. I agreed that the Secretary-General had made no recommendations. He had, however, gone well beyond mere withdrawal and suggested a basis for future negotiation. The main suggestion was that the parties should return to the régime of the General Armistice Agreement of 1949 but in particular to Articles I, II, VII and VIII. The aim would be to make the principal articles of the Armistice Agreement fully effective and to this end to deploy UNEF along both sides of the demarcation line. The Secretary-General's hope was that the General Assembly would make appropriate recommendations.

3. There were two special problems, as regards the:

(a) *Gulf of Aqaba* — A good case could be made for insisting that if the Armistice Agreement should become fully effective, Egypt would be precluded from the exercise of any claim to belligerent rights, including of course the right to blockade the Straits of Tiran; UNEF or some other UN agency might be employed to ensure through supervision that belligerent rights were not exercised in the Gulf;

(b) *Gaza Strip* — There seemed to be no case for continuing the present administration by Israel; probably some nominal Egyptian authority would have to be restored; but the United Nations, including UNEF, should have a considerable hand in the administration.

To achieve these aims it would not be sufficient merely to ask the Secretary-General to pursue negotiations on the basis of his report. This was the approach of the United States but we did not agree with it. We believed that there must be a clear directive from the Assembly in the form of a resolution. It was our hope that this would give adequate assurance that the United Nations would not let matters in Palestine drift back to the deplorable state of affairs before October 29, 1956. Comay, who seemed depressed, did not comment specifically on the various proposals. He emphasized that public opinion in Israel was firmly behind Mr. Ben Gurion's recent policies and there was a determination not to return to the *status quo ante*. In particular the Israelis would not accept a resumption of Fedayeen raids from the Gaza Strip and a blockade of the Straits. There was too much uncertainty about the future of UNEF to conclude that it would afford adequate assurance that the Armistice Agreement would be fully implemented. Israel had suffered in the past from partial implementation. Mr. Comay's arguments were a recapitulation of those advanced by Mr. Eban on January 24, and earlier by Mrs. Meier.

4. I emphasized that our present preoccupation was to achieve a degree of security in the area which it had not enjoyed in the recent past. Through the deployment of UNEF we hoped to bring about a state of affairs which in time would produce the political atmosphere for more permanent solutions. We believed that the UN supervision in the area should extend to the Gulf of Aqaba, as well as along both sides of the demarcation line and in the Gaza Strip. The first step would be to persuade the General Assembly to adopt an appropriate resolution. If the Egyptians and their supporters did not agree with it, the resolution might fail to be adopted by the necessary two-thirds majority.

5. Mr. Comay wanted to know whether we would expect the Israel armed forces to withdraw if the resolution failed to be adopted. I said that in these circumstances the United Nations might be in grave difficulty but Israel would be in very great trouble too. If its armed forces were not withdrawn, there would follow a series of resolutions on withdrawal with ever more drastic recommendations. Israel would be on the defensive all the time. Sanctions might be recommended sooner or later. A move might be made to expel Israel from the United Nations. Although we would not wish to see developments of this kind, it would be difficult to stem the tide of opinion in the Assembly. In addition, tension in the area would be increased.

6. Mr. Comay said that Israel's only alternative to maintaining its troops along the Gulf and in the Gaza Strip might be a "simple capitulation" to Assembly pressure, which he regarded as wholly favourable to Egypt. He did not see how the Israeli Government could accept this position. His belief was that if constructive efforts at the Assembly next week did not succeed, Israel would not withdraw its armed forces. I said that in the absence of satisfactory assurances I could hardly blame Israel for adopting this attitude. I then outlined the measures which we hoped to have included in the draft resolution which would be submitted to the General Assembly. Without quoting the text, I paraphrased various paragraphs in our draft resolution.

7. When I completed this summary, Mr. Comay asked whether there would be any reference to the Suez Canal in our draft resolution. Israel could see no reason why it should recognize Egypt's right in the Gaza Strip when the Egyptians would not recognize Israel's rights in the Suez Canal. I replied that Israel's rights in the Canal would have to be taken into consideration when the general settlement of the Canal question was being considered. In the meantime we might re-examine our draft resolution to see whether some reference to the Security Council's resolution of 1951 on the Suez Canal could be included. If the Arabs and their supporters could refrain from pressing for a condemnation of sanctions in the early part of the debate, there would be no need to introduce our draft resolution then. In these circumstances we would have more time to work out the details. We had reason to believe that there was a general disposition in the Assembly to have an exchange of views

on the Secretary-General's report, as the opening stage in the debate, and then to adjourn for a day or so in order to provide time for delegations to consult concerning the resolution or resolutions.

L.B. PEARSON

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241. DEA/50134-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations to Secretary of State for External Affairs

TELEGRAM 367 New York, January 28, 1957

SECRET. IMMEDIATE.
Repeat for information Washington, London, Paris and NATO Paris.

ISRAELI WITHDRAWAL

I had lunch Sunday with Fawzi and Loufti at their request. MacKay was also present. Fawzi was as usual sweetly reasonable and talked quite frankly about the Secretary General's report and the next step. Lodge had given him a copy of our resolution as revised to date much to my concern so that Fawzi was quite aware of what we have had in mind. I emphasized that the draft was nothing more than a working paper for consideration.

2. Fawzi took the line that he has consistently followed that the first step is to get the Israelis out and that after that Egypt would be quite prepared to talk about ways and means for preventing further outbreaks and settlement of the Gulf and Canal problems. However he was not unreasonable about the timing of completion of withdrawal and suggested that the end of the month or even the first week in February might be satisfactory. He seemed to appreciate that some interim administrative arrangement might have to be made in Gaza.

3. With respect to subsequent arrangements he said that they would not oppose although they could not support an immediate reference to the Court or other judicial agency of the question of Israeli rights to the Gulf of Aqaba and use of the Canal. He said quite definitely that Egypt would accept a decision of the Court even if it were adverse. He was however careful to avoid any commitment about the stationing of UNEF at Sharm Al Shaikh.

4. He referred favorably to the deployment of UNEF on both sides of the demarcation line and seemed to accept my suggestion of its stationing in the Gaza Strip also. He also said that they would not be adverse to seeing the functions of UNEF enlarged by which he seemed to imply that they could accept turning over the functions of UNTSO to UNEF. He did not comment on the proposal in the draft resolution of further demilitarization in the zones already partially demilitarized by the Armistice Agreement.

5. I pointed out that it might be very difficult to get the Israelis to move out without some assurances on these various points. Fawzi did not suggest that the Israelis could be easily persuaded but suggested that a withdrawal resolution might include a commitment by the Assembly to take up these other matters immediately withdrawal was completed. He stressed the point that he thought it would be a grave blow to the prestige and the future of the UN if it formally allowed an aggressor to profit by his aggression as would be the case if withdrawal were formally accepted as conditional.

6. With respect to procedure over the next few days Fawzi thought that the best way was to let the Assembly debate the report of the Secretary General without a resolution. He suggested that the visit of King Saud on Wednesday might be a convenient excuse for adjourning the debate or at least postponing action. Meantime a small working party under the chairmanship of the Secretary General might be established to draw up an agreed resolution. The working party should not include Egypt or any of the participants or their close friends. He appeared most anxious that an agreed resolution might emerge. He felt that they could meantime hold back their Arab friends from presenting a resolution if other parties could prevent a resolution from coming forward.

7. My impression is that the Egyptians are genuinely anxious to avoid a re-establishment of a situation which would lead to recurrences of border raiding provided this can be done without loss of prestige. I am inclined to think also that they would be prepared to accept an indefinite deployment of UNEF with perhaps enlarged functions along the demarcation line as a mean of stabilizing the situation. As against this there is the Israeli insistence on prior and definite assurances. It is unlikely however that the Egyptians will give any definite assurances to the UN in advance of withdrawal. It is an open question whether we and other UN members who are sympathetically disposed to support the substance of the Israeli case even if we deplore their methods can rely on oral conversations with Egyptian representatives who may indeed prove more reasonable than Cairo. It is even more doubtful that the Israelis will be prepared to rely on conversations between the Egyptians and third parties.

L.B. PEARSON

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242. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 382 New York, January 28, 1957

CONFIDENTIAL. IMMEDIATE.

Repeat for information London, Washington, NATO Paris and Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Hague, Bonn, Rome, Copenhagen, Brussels, Lisbon, Djakarta, Rio, Dublin, Belgrade, Madrid, Stockholm from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

As we expected, the resumed debate in plenary session on this subject dealt with the Secretary General's report (A/3512 January 24) and was not concerned with any resolution. Between the scenes largely under USA guidance efforts were made to organize a group of potential cosponsors of a draft resolution which would be acceptable to at least two thirds of the Assembly. It was Lodge's idea that the draft resolution, which the Canadian and USA delegations had prepared jointly, serve as a working paper for the group. It has been suggested that the group should consist of the members of the Advisory Committee of UNEF plus Burma, El Salvador, USA and Yugoslavia. Through consultations with the parties this group would try to evolve a constructive resolution which would break the current impasse.

2. Today (January 28) Lodge explained these tactics to the Minister and later to Dixon. Lodge also had discussions with Menon who seems anxious to become associated with current efforts to reach a solution. This probably means that Menon rather than Lall (who normally represents India on the Advisory Committee) would participate in the activities of the group of sponsors. Menon, who spoke briefly to the Minister today, said that the current debate could be adjourned tomorrow at noon until the end of this week or even until February 4. Previously Fawzi had indicated his willingness to accept a recess until Thursday or Friday.

3. There has been some speculation about the readiness of the Afro Asians to acquiesce in this delay. Several reasons have been advanced.

(a) The Afro Asians are aware that they could not attract a two thirds majority for a resolution on withdrawal calling for drastic action against Israel.

(b) A delay might help them to organize sufficient support for such a resolution, particularly if it should become apparent that Israel's intransigence would block ostensibly constructive efforts acceptable to Egypt.

(c) Egypt and the other Arab states realize that their only hope of bringing about a withdrawal by Israel lies through cooperation with the constructive efforts sponsored by the Western powers.

(d) Egypt may wish to delay the withdrawal of Israel until the re-opening of the Suez Canal, when Egypt's bargaining position will be very strong. Meanwhile the non compliance of Israel with the resolutions on withdrawal gives Egypt an excuse for not pursuing negotiations about the Suez Canal.

4. Whatever the reason for the delay, most delegations welcome the opportunity to consult more fully about the next step.

5. During the debate today the representative of Ceylon made a largely constructive statement in which he emphasized that the various suggestions made by the Secretary General in his report should be pursued by the General Assembly immediately after the problem of withdrawal had been dealt with. Fawzi had taken a similar position in discussions with the Minister. The Egyptians did not participate in today's debate and they are not scheduled to speak tomorrow. Eban made a long statement which in large part was a criticism of the Secretary General's report and in which he tried to justify Israel's attitude towards withdrawal from Gulf of Aqaba and the Gaza Strip. He dwelt at length on Israel's proposals for the future administration of Gaza. Much of what he said was conveyed to us privately in conversations which have been reported to you.

6. Lodge made a brief clear cut statement in which he reiterated the USA position that Israel must withdraw its forces without further delay. He gave strong endorsement to Secretary General's report and particularly to the suggestion that UNEF should move in between withdrawing Israeli forces in order to assure the maintenance of the cease fire and to safeguard the armistice agreement. UNEF should be deployed on both sides of the demarcation line, particularly with regard to the sensitive positions in the Gaza and El Auja sectors. Lodge went farther than we expected when he said that "It is essential that units of UNEF be stationed at the Straits of Tiran in order to achieve there the separation of Egyptian and Israeli land and sea forces". The Secretary General should be authorized to carry out these measures immediately upon the withdrawal of Israeli forces. Eban expressed to the Minister considerable satisfaction about Lodge's reference to the Straits.

243. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 409 New York, January 30, 1957

SECRET. IMMEDIATE. CANADIAN EYES ONLY.

Reference: Our tel 382 Jan 28.

Repeat for information London, Washington, Paris and NATO Paris.

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin, from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

The debate in plenary continued during the morning of January 29. Statements were made by the representatives of Iraq, USSR, Bolivia, Canada and Morocco. Jamali made a fiery speech blaming Israel for almost all the problems which have arisen in the Middle East since Israel's inception. On the constructive side he expressed a willingness to have UNEF deployed along both sides of the demarcation line in order to separate Egyptian and Israeli forces and to ensure full compliance with the armistice agreement. Kuznetsov followed the line which previous Soviet speakers have done during the current crisis in the Middle East. Efforts made by the Western powers, principally the USA, to deal with the crisis, including the establishment of UNEF, were characterized as an attempt to restore colonialism. The Eisenhower doctrine was part of this sinister plan. However, Kuznetsov's language was more moderate than on previous occasions.

2. I was undecided whether to intervene in this preliminary debate. There was much to be said for letting the Afro-Asians, and particularly the hotheads, talk themselves out before serious efforts should be made behind the scenes to break the deadlock. I did think, however, that it might be useful to inject into the debate and to place on record our ideas about how the Assembly should proceed and particularly about the kind of draft resolution we thought would meet the situation. There might be some value too in giving endorsement to what Lodge had said on January 28.

3. I discussed tactics in separate interviews with the British and Lodge. They both agreed that a Canadian statement would be helpful, especially if it could be made just before the adjournment of the debate. Lodge rather surprised me by stating his conviction that the Afro-Asians could muster a two-thirds majority for a resolution on sanctions. This is not our assessment of sentiment in the Assembly; surely if the USA joined the opposition sanctions could be blocked. I recognized, however, that it might be difficult for the USA to oppose at this time that kind of resolution. Even if the USA should abstain, there might be sufficient voting strength among West Europeans, old Commonwealth and Latin Americans to defeat it.

4. The text of my statement was sent to you in my telegram 397 of January 29.[186] Afterwards I was glad I had decided to intervene because the statement evoked some Arab reaction. At lunch Fawzi told me, as he had done earlier, that Egypt would be prepared to have the Assembly discuss fully and decide the various measures I had proposed for inclusion in a draft resolution. The Assembly must first, however, deal with the problem of Israel's non-compliance with the resolutions on withdrawal. Malik said much the same thing but went as far as to say that he would vote for the various proposals I had made (after withdrawal). Jamali's attitude was largely negative but I had expected this. The representatives of Australia, UK and a number of West European countries privately expressed satisfaction to us.

5. Lodge, who has taken charge of tactics for the present manoeuvre, had told me that once he had a firm reaction from Fawzi to our draft resolution (my telegram 367 of January 28), the USA delegation would meet with us to decide upon the final version of the resolution. After that we would seek additional cosponsors and ultimately submit the draft resolution to the Assembly. Lodge was also considering whether there should be two resolutions, one on withdrawal and the other containing the constructive measures.

6. Apparently Lodge had further discussions with Fawzi yesterday afternoon (January 29). In the early evening he came to see me with two draft resolutions. One called upon the Israelis to withdraw "without further delay"; the other was an [amended] version of the joint Canada-USA draft and, in fact, was almost a return to the USA draft which Lodge first showed me on January 26 (our telegram 365 of January 26). In effect the second resolution approved the recommendations and measures contained in the Secretary-General's report and implied that he should seek to negotiate a settlement along those lines.

7. I was very disturbed by this drastic change in the draft resolution. I could not see how it would assist in bringing about an Israeli withdrawal. It would hardly be satisfactory to the Israelis because it contained none of the assurances which were inherent in our original text. It might be possible to save the situation by having the Secretary General publicly state specifically what he understood his mandate to be. It would also help if a number of delegations including Canada and the USA were to make strong statements endorsing the various measures which we think should be put into effect in the areas of disturbance. Interpretations of this kind, however, would surely be no more acceptable to the Arabs than the inclusion of operative language in the text of the resolution. I suppose that if the resolution were not too categorical, the Arab Governments would have an easier time at home.

8. I took this line with Lodge who said he agreed entirely. His main argument was that our resolution as originally drafted was unacceptable to the Egyptians and would not attract the necessary two-thirds majority. As we mentioned earlier, the USA delegation seems to regard a two-thirds majority more as an end than a means. My guess is that at least some of the ideas in the new American texts came from Menon. Of course, it may be true that the resolution would have to be watered down in order to be adopted but it seemed to me that the USA had given in too quickly and too completely. Lodge argued that his draft resolutions meant the same thing as our earlier text and that indeed the Egyptians were prepared to see most of the measures implemented. This may also be true but we

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[186] Voir *La crise du Moyen-Orient, janvier-mars 1957*, pp. 11-13.
See *The Crisis in the Middle East, January-March, 1957*, pp. 11-13.

have very little assurance that the Egyptians and others might not change their position after the withdrawal had taken place.

9. We shall be discussing the American texts today at a meeting with Lodge and the representatives of Norway and Colombia. The four of us will form the nucleus of a larger group of co-sponsors. We shall try to put back some of the teeth which Lodge has extracted from the draft resolution. I am reasonably certain that the Secretary General would not go along with Lodge's draft and this should strengthen our hand in our dealings with Lodge. Because the texts are at present in such a fluid state I see little advantage in sending them to you at this time.

[L.B.] PEARSON

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244. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 410 New York, January 30, 1957

SECRET. IMMEDIATE. CANADIAN EYES ONLY.

ISRAELI WITHDRAWAL

The following are texts of two draft resolutions which we have been discussing with the USA and Norwegian delegations. The first is a resolution on withdrawal and the second is one which is intended to be discussed and decided immediately after the first and which it is hoped will provide sufficient basis for the Secretary General to negotiate the actual withdrawal of Israeli forces. As regards the first resolution, except for the words in brackets in the first operative paragraph, the text has been cleared with Fawzi who has passed it to Cairo. He said that this text was sufficiently acceptable to allow Egypt to abstain but he will require confirmation from his Government. Tomorrow Lodge will discuss the substance but not the text with the Israelis.

2. The first resolution reads: "The General Assembly,

Recalling its resolutions of November 2, 4, 5, 7, 25, 1956 and January 19, 1957, deplores the non-compliance of Israel to withdraw all of its forces behind the armistice line despite the repeated requests of the General Assembly.

Calls upon Israel to complete the withdrawal of its armed forces behind the armistice line without further delay."

3. The second resolution reads: "The General Assembly,

Having received the report of the Secretary General of January 24/57 (A/3512),

Recognizing that withdrawal of forces must be followed by action which would assure progress towards the creation of peaceful conditions in the region,

(1) Notes with appreciation the Secretary General's report and approves the measures proposed by the Secretary General therein (including his proposals for deployment of the UNEF), to be carried out upon the withdrawal of Israeli forces;

(2) Calls upon the Governments of Egypt and Israel scrupulously to observe the provisions of the 1949 Armistice Agreement; and accordingly

(3) Urges that the recommendations and measures contained in the Secretary General's report be observed, respected and given effect to after full withdrawal of Israeli forces from the Sharm-Al-Shaikh and Gaza areas. So that the Secretary General will be thus assisted to achieve situations envisaged in his report conducive to the maintenance of quiet and peaceful conditions there;

(4) Requests the Secretary General, after consultation with the parties concerned, to take steps to carry out these recommendations and measures and to report as appropriate to the General Assembly."

4. In a separate telegram we shall report more fully on our conversations today about this matter.

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245. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 413 New York, January 30, 1957

SECRET. IMMEDIATE.

Repeat for information Washington, London, Paris and NATO Paris.

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

We had two meetings today (January 30) with the USA and Norwegian delegations to discuss the two draft resolutions which Lodge had shown me on January 29. By noon today, in response to comments which I had made last evening, the USA text for the second resolution, the one in which we are mainly interested, had been strengthened, although not as much as we would have liked. Lodge said that it was his intention to have both resolutions sponsored by a group consisting he hoped of the members of the Advisory Committee on UNEF, Burma, USA and Yugoslavia. Before approaching the others Lodge wished to clear the text with the Norwegians and ourselves (he would have included Colombia but Urrutia was out of town). If we agreed, Lodge would show Fawzi this new text. He promised to let us have Fawzi's reaction later in the day.

2. At the noon meeting I said that the revised draft of the second resolution was an improvement on the one which Lodge had shown me yesterday. There were, however, some doubts in my mind:

(a) We now had two resolutions instead of one. Was there any assurance from the Egyptians and their supporters that having discussed and adopted the resolution on withdrawal the Assembly would immediately proceed to discuss and favourably decide on the second and more important resolution? Lodge stated emphatically that he had an explicit understanding with Fawzi that the proceedings on the second resolution would follow immediately after a decision on the first.

(b) I pointed out that the USA draft spoke about the "recommendations and measures proposed by the Secretary General". We were wondering what were the "recommendations" in the Secretary General's report. It was true that he had proposed and discussed certain measures but in several respects the report was equivocal about what should be done. I wondered how the Secretary General would interpret the operative paragraph requesting him "after consultation with the parties concerned to take steps to carry out these recommendations and measures". Concerning (b) the USA delegation replied that the measures intended were the deployment of UNEF on both sides of the demarcation line in the Gaza Strip and at El Auja; UN "association" with freedom of navigation in the Gulf of Aqaba and with the administration of the Gaza Strip. The USA officials said that the Secretary General was anxious to avoid a conflict of interpretations about what his mandate should be and he was not disposed to give his own interpretation.

3. Lodge said that if we tried to be too specific in our draft resolution we would not produce a text which would be acceptable to a two-thirds majority. I agreed but said that I was more interested in getting a resolution which would serve as a basis for agreement and which would induce the Israelis to withdraw than merely drafting one which would attract a two-thirds majority. I pointed out that we could devise a resolution acceptable to two-thirds of the members but this did not mean that we would thereby persuade the Israelis to withdraw. If after the adoption of these two resolutions the Israelis should stand their ground the Assembly would be in a worse position than it was now. We should therefore strive to prepare a resolution which would provide a reasonable basis for withdrawal.

4. To some extent Engen though not emphatically supported me and emphasized, in addition, that the Secretary General should not be left in doubt about what he was expected to do. To this Lodge said that the Secretary General had agreed that the language of the USA draft was sufficient for his purposes. Engen said if this was the Secretary General's attitude the USA draft might be satisfactory.

5. After the noon meeting I thought it might be useful to discuss the USA draft with the Secretary General. He agreed with me that his report contained no "recommendations" and that the text could be more specific for his purposes. One obvious addition would be specific reference to the deployment of UNEF (there was no mention of UNEF in the USA draft). However, the Secretary General seemed reasonably confident that if the USA text were adopted by the Assembly, he would have a sufficient mandate to allow him to pursue negotiations to achieve the aims we had in common. He shared my view that the Israelis would not like the USA text.

6. My conclusions in this regard were strengthened by an interview which I had this afternoon with Eban and Comay. Admittedly they would like to see a resolution which spelled out in precise detail the arrangements and understandings particularly as regards the Gulf of Aqaba. Comay made the point that proposals for the Gaza Strip could be blurred for the time being. We went over the ground which we had covered in earlier conversations and I explained, without discussing texts, what we and the USA delegation were seeking to achieve. Eban suggested that it was perhaps more important for Israel than for Egypt to endorse the text of the second resolution. Comay offered to "draft some language". I said that at the present stage it would serve no useful purpose to discuss texts with them.

7. With the Israelis attitude fresh in my mind I attended the second meeting with Lodge and Engen. Lodge had another text (the one which we have sent to Ottawa) which Fawzi had accepted and which made no great change in the substance of the draft resolution. The important third operative paragraph had been recast in the passive rather than active sense. It urged that the recommendations and measures contained in the Secretary General's report "be observed, respected and given effect to after full withdrawal of Israeli forces

from the Sharm-Al-Shaikh and Gaza areas, so that the Secretary General will be thus assisted to achieve situations envisaged in his report conducive to the maintenance of quiet and peaceful conditions there". Fawzi had indicated that Egypt and perhaps some other Arabs would not oppose a draft resolution along the lines of the current USA text. Fawzi had asked his Government to confirm his.

8. I restated my objections about the lack of precision in the draft, about the word "recommendations", and about the absence of a reference to the deployment of UNEF. After some discussion, in which Lodge, Engen and I reiterated positions we had taken earlier, Lodge agreed to drop the word "recommendations" and to add the words "including his proposals for deployment of the UNEF" in the first operative paragraph. Lodge will seek Fawzi's concurrence to include these words. I see no reason why the Egyptians or any of the other Arabs should object to this addition because almost all of them have gone on record in favour of the deployment of UNEF along both sides of the demarcation line. The more general formula which Lodge accepted, if included in the first operative para, might serve our purposes very well.

9. We shall probably meet with the USA and Norwegian delegations again before we approach the additional co-sponsors. As well as seeing Fawzi, Lodge is to discuss the substance of the draft resolution with the Israelis. We strongly advised this. He did not expect to receive a clearcut answer either in favour or against but he apparently had some hope, based on his discussions with local Zionists, that Israel might be persuaded to accept the current text. I must say I am not too optimistic.

[L.B. PEARSON]

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246. L.B.P./Vol. 85

Extrait de La crise du Moyen-Orient : carnet des événements

Extract from Middle East Crisis: Diary of Developments

SECRET New York, [February, 1957]

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January 29

The general debate continued. The Minister made a statement in which he outlined the procedure which he thought the Assembly should follow and in which he suggested certain ideas for inclusion in any resolution which the Assembly might discuss (Press Release No. 44 of January 29; Ourtel 397 of January 29). At King Saud's luncheon the Minister discussed these possibilities with some of the Arab representatives including Fawzi, Malik and Jamali. In the evening Lodge showed the Minister two draft resolutions, one on withdrawal and the other on certain arrangements which would follow upon withdrawal. Procedure by two resolutions and the texts of both had been the result of further conversations between Lodge and Fawzi. The second resolution was a greatly watered-down version of ideas which had been contained in the original Canadian draft. The Minister made some suggestions for strengthening the USA texts and said he would like to discuss them with the Secretary-General (Ourtel 409 of January 30).

January 30

At noon the Minister met with Lodge and Engen for a further discussion about the USA draft resolution. The representative of Colombia, who was supposed to attend this meeting, was absent from New York. Lodge had revised the second resolution, strengthening it slightly. He said he had reached an understanding with Fawzi. The Minister discussed the second resolution with the Secretary-General, who suggested that the third operative paragraph should be split in order to make specific reference to the deployment of UNEF along the demarcation line, as one paragraph; and to urge all member states to assist the Secretary-General to achieve *de facto* situations in the Sharm-el-Sheikh and Gaza areas, as a separate paragraph. The USA texts were transmitted to the Department (Ourtel 410 of January 30). After the noon meeting Lodge had a further discussion with Fawzi. The Minister had an interview with Eban and Comay. About five o'clock the Minister met again with Lodge and Engen (Ourtel 413 of January 30) to discuss the USA drafts, which were still too imprecise to serve as an assurance to Israel. Lodge agreed to discuss additional changes with Fawzi, with Menon, and the resolution as a whole with Eban.

January 31

At the Commonwealth meeting the Minister arranged to brief later in the day old Commonwealth representatives and others. The Advisory Committee met to discuss the financing of Canal clearance (Verbatim Record). The Secretary-General discussed the current situation with the Minister and Engen and urged the Minister to join the working group on financing with India and Norway. The Minister declined.

At noon the Minister met with M. Pineau who was mainly concerned with Algeria.[187] The Minister described the efforts which we were making to reach agreement on a draft resolution, which we hoped would be satisfactory for further negotiations about the Israeli withdrawal. Pineau expressed hope that the debate in plenary on the Middle East situation would not interfere with the First Committee debate on Algeria which was due to begin on February 4. Pineau would have preferred a single resolution on the Middle East situation because he feared that the Afro-Asians would not honour their side of the bargain.

In the afternoon the Minister presided at a meeting of representatives of the old Commonwealth, Belgium, France, Italy, the Netherlands, Norway and Portugal. The Minister reviewed the discussions he was having with Lodge and others concerning draft resolutions concerning withdrawal and subsequent arrangements. He explained why Canada preferred a more precise definition of these arrangements and why Lodge was ready to accept a vaguely-worded resolution. Because there would be difficulty in gaining acceptance of a procedure by a single resolution, one which would link withdrawal with the subsequent arrangements, Lodge had agreed with Fawzi to proceed by two resolutions. Lodge had categorical assurances for Fawzi that both resolutions would be discussed and decided at the same time. The Minister said he had no objection to this procedure and he gave the meeting the substance of the two resolutions. Dixon, Spender and Munro expressed misgivings about the vagueness of the language in the second resolution. The representatives of the Netherlands and France also voiced scepticism. Vitetti seemed doubtful but later told the Minister that the second resolution was "too good to be true". At the time of this meeting there seemed to be considerable opposition to the kind of resolution which Lodge was preparing.

At 4:30 p.m. the Minister and Engen had a further meeting with Lodge about the draft resolutions. Lodge by now had agreed to revise both resolutions, largely as a result of discussion with Krishna Menon. The first resolution referred to the "complete withdrawal of Israel" rather than to the "withdrawal of Israeli armed forces". In the second resolution a substantial revision had been made as regards the important third operative paragraph. It was deliberately vague about the "other measures" which would be applied (other than deployment of UNEF on the demarcation line) after withdrawal of Israel and about the area in which these measures would be applied. The USA Delegation had pressed to have the word "there" retained at the end of the paragraph but this gave no real assurance that the "measures" could be held applicable in the Gaza Strip and Sharm-el-Sheikh as well as on the demarcation line.

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[187] Voir/See Document 348.

At 5:15 the Minister and Engen discussed this latest draft with the Secretary-General and Cordier. The Secretary-General said he could probably live with the new paragraph 3 but he suggested that the word "other" before "measures" should be replaced by "effective"; that "there" should be replaced by "in those areas"; and that the phrase "with due regard to the considerations mentioned therein" should be deleted. These comments were passed immediately to Lodge, who was not hopeful that he could do more than have "there" replaced by "in the area" (this change appeared in the final version). Lodge had just seen Menon again and Lodge was reluctant to continue the argument about wording.

The Minister had a brief conversation with Rafik Asha of Syria who intimated that the Arabs would not accept the procedure by two resolutions. This probably was the attitude of the wilder members of the Arab group.

In the evening the Delegation was faced with the problem of whether Canada should co-sponsor a draft resolution (the second) which was considered inadequate to the purpose for which it was designed, that is, as an inducement to Israel to comply with the resolution on withdrawal. There was the risk that if Israel rejected the resolution, the co-sponsors would be obliged to go along with more drastic action to get compliance with resolutions which they considered inadequate. It seemed desirable on balance for Canada to keep its freedom of action either to strengthen the Lodge-Menon text through amendment or to introduce a Canadian text with greater precision. On these grounds the Delegation concluded that Canada should not co-sponsor the Lodge-Menon text. The Minister discussed the matter with the Prime Minister and Mr. Martin.[188]

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[188] G. Murray a rédigé ce document.
This document was drafted by G. Murray.

247. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], January 31, 1957

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Health and Welfare and
  Acting Secretary of State for External Affairs (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Minister of Justice (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

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U.N.E.F.; FURTHER CANADIAN CONTRIBUTION
(PREVIOUS REFERENCE DEC. 5, 1956)

50. *The Minister of National Defence* said the Secretary General of the United Nations had requested that Canada furnish some additional troops for the United Nations Emergency Force. About 60 more men were required to strengthen the Canadian units already in the force, and there was urgent need for a reconnaissance squadron with a strength of from 125 to 150 men. There was no such unit in Canada but it would be possible to make it up from the armoured regiments. Transport of equipment would be looked after by the United Nations, probably by chartering a ship, and it was suggested that the men be flown over.

There were now 1,100 Canadian servicemen with U.N.E.F., which had an approximate strength of 5,800 at present. Raising the Canadian figure to 1,300 might be thought to put Canada's contribution somewhat out of line. However, there was a possibility that the whole force would have to be increased, particularly if additional duties had to be taken over in the Gaza strip and at the Gulf of Aqaba.

51. *Mr. Campney* added that General Burns had found Canadian assistance most valuable and wanted the skeleton of his force from Canada. The whole force was served by these units and English was the main language of communication. It would be possible to meet the latest request but he wished to point out that the reconnaissance unit would not be administrative but would be on patrol duty.

52. *During the course of discussion* the following points were made:

(a) Having Canadian units undoubtedly made it easier for General Burns to operate, particularly in communications. If the whole force were enlarged there would be need for more administrative personnel but there was no reason why Canada should be expected to furnish further men if this current request were met.

(b) It might be a good thing to supply a reconnaissance unit as this would offset criticism that the Canadian contingent was all administrative.

53. *The Cabinet* agreed that, if the Minister of National Defence considered it advisable, the Canadian contingent to the United Nations Emergency Force would be increased along the lines requested by the United Nations Secretary General, by providing a reconnaissance squadron of from 125 to 150 men and about 60 additional men for the Canadian units already with the force.

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248. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 441 New York, February 1, 1957

CONFIDENTIAL. IMMEDIATE. CANADIAN EYES ONLY.

Repeat for information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

Following are the texts of the seventh drafts of the USA resolutions which Lodge has been discussing with Menon, Fawzi and others. The words in brackets are revisions which we would like to make in order to strengthen paragraph 3 of the second resolution which is the most important paragraph in the whole text. These suggestions originated with the Secretary General. To make the position clear: (a) we would delete "other" and substitute "effective"; (b) we would delete "with due regard to the considerations set out therein", and (c) we would delete "there" and substitute "in those areas" or at least "in the area". Text begins:

The General Assembly,

Recalling its resolutions of November 2, 4, 5, 7, 25, 1956 and of January 19, 1957,

Deplores the non-compliance of Israel to complete its withdrawal behind the armistice demarcation line despite the repeated requests of the General Assembly,

Calls upon Israel to complete its withdrawal behind the armistice demarcation line without further delay.

Draft Resolution

The General Assembly,

Having received the report of the Secretary General of January 24, 1957, Recognizing that withdrawal by Israel must be followed by action which would assure progress towards the creation of peaceful conditions,

(1) Notes with appreciation the Secretary-General's report and the measures therein to be carried out upon Israel's complete withdrawal;

(2) Calls upon the Governments of Egypt and Israel scrupulously to observe the provisions of the 1949 Armistice Agreement;

(3) Considers that, after full withdrawal of Israel from the Sharm-El-Sheikh and Gaza areas, the scrupulous maintenance of the Armistice Agreement requires the placing of the UN emergency force on the Egyptian-Israeli armistice demarcation line and the implementation of other (effective) measures, as proposed in the Secretary-General's report, (with due regard to the considerations set out therein) with a view to assist in achieving situations conducive to the maintenance of peaceful conditions there (in those areas or in the area);

(4) Requests the Secretary General, in consultation with the parties concerned, to take steps to carry out these measures and to report, as appropriate, to the General Assembly.

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249. DEA/50134-40

Note de la Direction du Moyen-Orient
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Middle Eastern Division
to Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], February 1, 1957

REVISED TEXT OF RESOLUTION ON THE MIDDLE EAST

In giving me over the telephone this morning the revised text of the two resolutions on the Middle East, Geoff Murray drew attention to a number of points.

2. In the first resolution the change of wording from "to withdraw all of its forces" to "complete its withdrawal" was adopted as a result of the pressure from Krishna Menon. The intention is, of course, to frustrate Israeli attempts to retain civil administration in the Gaza Strip. A consequential change appears in operative paragraph 1 of the second resolution.

3. The Delegation are unhappy for two reasons about operative paragraph 3. First, they regard the word "other" before "measures" as a potential source of ambiguity. On one interpretation it could cover the moving of UNEF into Sharm-el-Sheikh. Alternatively, if one was opposed to such action, as the Egyptians are presumed to be, one could argue that the words "with due regard to the considerations set out" in the Secretary-General's report, refer to the need to respect Egyptian sovereignty, which could, on such an argument, be said to be infringed by the placing of UNEF in Sharm-el-Sheikh. The Delegation fear that unless another word is substituted for "other", this ambiguity will cause trouble in the future. The Secretary-General would like the word "effective" instead of "other", so that he would be in a position to say whether or not an action such as moving UNEF into Sharm-el-Sheikh should or should not be undertaken. Lodge has undertaken to try to sell "effective" to the Egyptians this morning, but the Delegation fears he may not succeed or perhaps that he may not even press it hard enough.

4. The second point in operative paragraph 3 which concerns the Delegation is the word "there" at the end of the paragraph. The Delegation's objection is that the word "there"

goes back to the "armistice demarcation line", which would not cover Sharm-el-Sheikh. The Delegation would prefer some such phrasing as "in other words" so that there would be no ambiguity on this point.

5. Geoff Murray confirmed that Mr. Pearson's present inclination is to withdraw from co-sponsorship because of the extent to which the second resolution has been watered down. If, however, Lodge managed to sell the word "effective" to the Egyptians, and if something like "in other areas" were substituted for "there" at the end of the paragraph in question, this might, I gather, be sufficient to change Mr. Pearson's decision. On the other hand, he thinks that there is something to be said for staying outside the list of co-sponsors to preserve greater freedom for manoeuvre during the course of the debate.

6. The debate is expected to begin this afternoon at 3 p.m. It is still not certain how Egypt and Israel will vote on the two resolutions.

7. With regard to press accounts yesterday that the Delegation was thinking of dropping out of the negotiations, the position is that the only thing we might drop out of is co-sponsorship. There is no question of withdrawing from the negotiations.

H.B. ROBINSON

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250. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 444 New York, February 1, 1957

SECRET. MOST IMMEDIATE. CANADIAN EYES ONLY.

Repeat for information Washington, London, Paris and NATO Paris.

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

At noon today I met with Dixon, Spender and Munro to discuss the draft USA resolutions on this subject. We were of course mainly concerned with the second resolution. I explained why we had decided not to co-sponsor the resolutions and gave them the gist of my conversation earlier this morning (separate telegram) with Lodge.

2. I said we were considering the following amendments (to the USA seventh draft phoned to Robinson and sent today):

(a) Operative paragraph 2 — After "armistice agreement" add "and to this end to refrain from all acts of hostility including the exercise by either party of any claim to belligerent rights".

(b) Operative paragraph 3 — Substitute "effective" for "other" coming before "measures"; delete "with due regard to the considerations set out therein"; and substitute "in those areas" for "there". (We understand Lodge, Menon and Fawzi have agreed to use "in that area" instead of "there" but the change is hardly an improvement).

3. On tactics the Commonwealth at the noon meeting agreed that if amendments of this kind were accepted the resolution could be more easily supported by them and in particular

Spender agreed that he would not feel obliged to press amendments of his own. Dixon might wish to add "approves" before "the measures" in the first operative paragraph but this might not be necessary. We agreed to let the debate develop during the day before making any move to amend the USA draft. I suggested that the amendments might be moved tomorrow but that before then it would be helpful if statements, suggesting changes along the lines of our amendments, could be made.

4. Lodge had expressed conviction that our amendments, which he favoured, would not carry. The Commonwealth representatives did not entirely agree with Lodge's assessment. They agreed in any event that by moving the amendments we would clarify the meaning of the resolution and perhaps the intentions of the main parties. The discussion of these amendments would bring any ambiguities into the open and the general effect would be to make it much easier for all of us to accept the resolution in the end, even if our amendments were defeated. Conceivably at that time the situation might be such as to make it desirable to have some resolution adopted, notwithstanding its shortcomings. Meanwhile we will do our best to persuade the Israelis, who have been entirely negative about the present draft, to agree to accept it with our amendments. Any indication of this acceptance by them would greatly increase the possibility of receiving the necessary majority for our amendments, which in present circumstances are not likely to carry.

[L.B.] PEARSON

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251. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 445 New York, February 1, 1957

SECRET. IMMEDIATE. CANADIAN EYES ONLY.

Repeat for information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

This morning (February 1) I informed Lodge about our decision not to co-sponsor the USA draft resolutions. I said that I realized why he considered it necessary to retain the general language, particularly in the third operative paragraph of the second resolution, but that in our view the text was too ambiguous and open to many interpretations. I mentioned our misgivings about the word "other" before "measures" and about "there" at the end of the paragraph. I said that in addition we would like to see included some reference to the exercise by either party of any claim to belligerent rights. I suggested that reference of this kind might be included in the second operative paragraph.

2. Lodge agreed that the textual changes which we had in mind would be a great improvement to the resolution. The USA would very much like to see them included but if the Egyptians and their supporters would not accept them this meant that they would not have the support of the necessary two-thirds majority. Lodge said that he had persuaded Menon and Fawzi to accept "in that area" instead of "there" at the end of the third opera-

tive paragraph. Lodge was probably disappointed by our decision not to co-sponsor but he expressed satisfaction about the frank manner in which we had discussed our differences.

3. I told Lodge that we were considering whether we should submit amendments to the draft during the debate. I mentioned the kind of amendments I had in mind. Lodge reiterated his conviction that such amendments would not be adopted. He was afraid that their defeat might have a detrimental effect on the implementation of the resolution because the Arabs, for example, would argue that the USA text meant something less than the amendments which the Assembly had rejected. There is of course something to be said for this argument.

4. I informed Lodge that our intention was to let the debate develop before making any move to amend the draft resolution. I said we would keep in close touch with the USA delegation and that we would try to minimize the impression that we were engaged in a competitive move. I expressed regret that we had not been able to reach agreement on a text which we both could co-sponsor. Lodge said that India, Indonesia, Yugoslavia, Colombia, Brazil and Norway would join with the USA in co-sponsoring the draft resolution, which would be released about noon today (February 1).

[L.B.] PEARSON

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252. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 456 New York, February 1, 1957

SECRET. IMPORTANT. CANADIAN EYES ONLY.
Repeat for information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

After speaking to Lodge this morning (February 1) I discussed current developments with Engen. He informed me that Norway had decided to co-sponsor the USA draft resolution on the basis of the following considerations:

(a) Having been closely associated with UN action, including participation in UNEF, to meet the MidEast crisis, Norway believed it should continue to do so. This was particularly desirable because if Norway dropped out of the group of sponsors, the USA would be left with no NATO partners and with no representation from Western Europe.

(b) The Norwegian Government was satisfied from its consultation with the Secretary General that he could under the proposed resolution resume his negotiations about withdrawal. For this purpose the text was not as satisfactory as it might have been but it could be interpreted in the sense desired by the Secretary General.

(c) There was no real alternative. Attempts to get greater precision would probably be defeated by the Afro Asian and Soviet Blocs combined. The Assembly could not run the risk of having no resolution at all because the situation might produce chaotic conditions not only in the Assembly but in the area with grave consequences for the whole UN effort there, that is, for UNEF and the Canal clearing operation.

2. These considerations are of course very important and I told Engen that I recognized their importance. I explained why we had decided not to co-sponsor the resolution, the main reason being that we desired a free hand for a possible contribution during the debate on the constructive side. Engen, who has been in close touch with us throughout, fully understood this point of view. I cited our fears about deliberate misinterpretation of the vague language in the USA draft. As for alternatives I suggested that we might try (Group corrupt) the debate either to add precision to the resolution or at least to bring into the open the ambiguities in the text. Either way there might be more likelihood that the resolution would provide a better basis for expecting Israel to withdraw and many delegations might find it easier to accept the resolution in the end.

3. Engen said that his instructions were to co-sponsor the draft resolution but to leave himself a free hand to accept any amendments which he considered would improve the text. He had so informed Lodge and he does not consider himself bound to consult the other co-sponsors on the subject of amendments.

4. The USA draft resolutions appeared in the Assembly late this afternoon. They have been co-sponsored by Brazil, Colombia, India, Indonesia, Norway, USA and Yugoslavia. The only change from previous texts we have sent you is in the last line of the third operative paragraph; instead of "there" the words "in the area" follow "maintenance of peaceful conditions". This is only slightly better than "in that area" which we had previously considered no improvement over "there".

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253. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 462 New York, February 4, 1957

SECRET. IMMEDIATE.

Reference: Our tel 444 Feb 1.

Repeat for information London, Washington, Paris and NATO Paris (Important).

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

Before the meeting of the Assembly on the afternoon of February 1 Lodge met with representatives of Western European countries and the Old Commonwealth to discuss the two draft resolutions the USA was submitting in co-sponsorship with Brazil, Colombia, India, Indonesia, Norway and Yugoslavia (Document A/3517 and A/3518 of February 1). Lodge explained that he would have preferred that the second resolution should be more precise, particularly as regards the functions of UNEF, but that the text contained in Document A/3518 was the best obtainable compromise and one which was calculated to obtain two-thirds majority support. Lodge referred to conversations which he had with the

Minister about this resolution and said that Canada had decided not to co-sponsor it because of the lack of precision in the language.

2. Spender, Munro and Dixon led the discussion which followed Lodge's presentation of the draft resolutions. They expressed misgiving about the absence in the second resolution of any reference to the exercise of any claim to belligerent rights. They were concerned about the ambiguity in the third operative paragraph and particularly about the words "other" and "in the area". In other words they raised with Lodge questions which they had discussed with the Minister earlier in the day. Lodge adopted the same attitude he had in his conversation that morning with the Minister; the USA would very much like to have a more precise text but this was not possible because of opposition from the Egyptians and their supporters; the USA believed that the draft resolution would accomplish the aims which all of the Western powers were seeking. Lodge understood that the Secretary General was prepared to continue negotiations with Egypt and Israel on the basis of the USA draft. Engen confirmed this and said that the Secretary General's attitude was the basis of Norway's support for the USA draft. The representative of The Netherlands expressed doubt that the USA text would accomplish what Lodge said it would. The representatives of Italy and Ireland agreed that the text was perhaps the best obtainable. Most of the other countries represented were non-committal.

3. The Assembly debate had already begun. Fawzi and other speakers were concerned with the various measures and conclusions contained in the Secretary General's report. The two draft resolutions were not circulated until just before the close of the debate at six o'clock (February 1). The most important statement was made by Spender who expressed firm views about how the impasse concerning Israel's withdrawal should be met. He was much concerned with the situation in the Gulf of Aqaba; he also discussed at length the nature of the "consent" which was required for the use of military force by the UN other than that under Chapter VII of the Charter. As you know, Spender has been anxious to attribute to UNEF functions somewhat beyond those generally acceptable in the Assembly and beyond the concept contained in the various reports of the Secretary General.

4. After Spender had spoken the Secretary General made a brief statement concerning Egypt's consent to the presence and functioning of UNEF on Egyptian territory. He said among other things that "in practice the consent obviously must be qualified in such a way as to provide a reasonable basis for the operations of the UN force". To all the extent that movements of UNEF were supposed to follow from the duties of the force in relation to the cease-fire and the withdrawal, the matter had been regarded as non-controversial because it was covered by Egypt's general consent. On the other hand "as regards activities of the UN force which would extend beyond what is covered by this consent, an additional consent has been considered as necessary". This means, we understand, that UNEF could follow the withdrawal of Israeli forces along the West bank of the Gulf of Aqaba to the armistice demarcation line but that units of UNEF could not be stationed for any length of time in the Gulf, and particularly at Sharm-El-Sheikh, without further agreement with Egypt.

5. The debate was resumed on Saturday morning. After speeches by the Ukrainian and Czechoslovak representatives, who did their best to discredit UNEF, Lodge made a strong statement concerning the two draft resolutions. He emphasized that the withdrawal of all remaining Israeli forces must be completed without further delay; that the UN must avoid a return to the conditions that prevailed prior to the recent hostilities; that upon the withdrawal UNEF should continue to move into the areas evacuated "in order to ensure the implementation of the General Assembly's Resolution 997 (ES-I) of November 2". To be effective UNEF must serve as a restraint "against any attempt to exercise belligerent rights

or to engage in hostile actions contrary to the Armistice Agreement, the decisions of the Security Council and the resolutions of the General Assembly". The force could best fulfill its mission if it were deployed along both sides of the armistice demarcation line and particularly "in the sensitive Gaza and El Auja sectors".

6. Lodge then reiterated what he had said on January 28 about the stationing of UNEF in the Straits of Tiran in order to separate Egyptian and Israeli land and sea forces. "This separation is essential until it is clear that the non-exercise of any claim to belligerent rights has established in practice the peaceful conditions which must govern navigation in waters having such an international interest". Lodge said that the draft resolutions, although not perfect documents, did contain "certain words which will make possible the ends of which I have just spoken". He acknowledged, however, that the final result would be "up to the parties".

7. This statement (especially the sentence quoted) by Lodge greatly disturbed the Arab delegations and some of their supporters. Although the debate continued after Lodge had spoken the main center of activity shifted from the Assembly to the corridors where the USA delegation was under angry attack by the Arabs.

8. Our own activity behind the scenes was more concerned with the delegation of Israel, on the one hand, and with the Old Commonwealth representatives and some of the Western Europeans on the other. In the morning the Minister urged Comay to advise Mrs. Meir and the Israeli Government to abstain on the second draft resolution. The Minister hoped that the interpretation which he and others would place on the language in that resolution would be sufficient to encourage Israel to abstain. The statement by Lodge no doubt helped in this connection. In any event, after lunch Comay informed the Minister that Mrs. Meir had received instructions from Jerusalem to abstain.

9. We had prepared a statement which we wished to withhold until after the principal co-sponsors had spoken. We were of course mainly interested in hearing from Menon. With some difficulty we managed to keep a position subsequent to India on the speakers' list. In view of Lodge's strong statement the Minister considered it unnecessary for us to try to strengthen the second resolution through amendment (although we had our amendments ready) but we assumed that Menon would try to counteract Lodge's interpretation.

10. This in fact happened in the afternoon meeting. By then it was common knowledge that the Arabs, in angry response to Lodge's statement, had shifted their position from abstention to opposition to the second draft resolution. The USA delegation informed us that, although Fawzi still seemed disposed to go along with the pre-arranged plan of abstaining on the USA draft, Sudan, Syria and some of the other wild elements in the Arab group wished to break the arrangement. Presumably to save the situation Menon gave his interpretation of what the second resolution meant. As expected, his was a restrictive interpretation and particularly as regards the activities of UNEF. Menon's interpretation extended to the Secretary General's report (A/3512 January 24). On re-reading his statement we found it not as damaging to the aims we were seeking as it sounded in the tense atmosphere of Saturday's debate. It contained, of course, India's well-known stand on the presence and functioning of UNEF on Egyptian territory.

11. Lodge followed Menon with a brief statement which we feared at first might be a retraction of his earlier statement. He laid great emphasis on withdrawal which should take place "in only the few days necessary physically to move the forces behind the armistice demarcation line". This withdrawal should take less time than was taken by the Anglo-French forces since their withdrawal was delayed by the time necessary to establish UNEF. On the subject of withdrawal Lodge added: "Let me also say this in all seriousness and

solemnity, that I cannot predict the consequence which can ensue if Israel fails to comply with the will of the General Assembly as expressed in the pending resolutions". This solemn warning may rebound on the USA delegation in subsequent proceedings in the Assembly. Lodge also emphasized that withdrawal was a preliminary and essential phase in a development through which a stable basis might be laid for peaceful conditions in the area. None of the constructive measures in the second draft resolution were intended to go into effect until Israel had completed its withdrawal nor "will any of them be undertaken without the agreement of the affected party".

12. Fawzi then stated "in as clear an outline as possible the position of the Government of Egypt on this question, which position is perfectly in line with these resolutions". The full text of what Fawzi said is contained in my immediately following telegram.† Once again it seemed in the atmosphere of the debate that all our arrangements for UNEF would be thwarted. Matters were made worse when, after an emotional and scathing attack on the second resolution by the representative of Sudan, Jamali asked Lodge and Menon whether "the points so clearly put by the Foreign Minister of Egypt are fully recognized by the second draft resolution". (At this point the Minister tried to move an adjournment but failed to catch the President's eye). Lodge declined to speak at the moment and Menon's reply seemed to endorse Fawzi (but on re-reading it appears as something less). The adjournment then followed. The text of this exchange is contained in a following telegram.†

13. Fawzi's intervention and what followed agitated representatives of the Old Commonwealth and we met with them immediately after the Assembly adjourned. The events of the afternoon had spoiled the good effect of Lodge's strong statement. Spender and Munro were disposed not to support the second resolution and Dixon was wavering. We discussed how Lodge should respond to Jamali's question and agreed that much might depend on this response. If the USA rejected Fawzi's position and in effect broke with the Arabs, we must support the resolution. The Minister said that our statement could have the effect of restoring the balance of the debate and that he would discuss with the Secretary General the possible effect of the afternoon's debate on the Secretary-General's proposed negotiations with Egypt and Israel.

14. This was done right after the meeting of the Old Commonwealth representatives. The Minister discussed the situation with the Secretary General, Cordier and Bunche. The UN officials were not too disturbed by Menon's interpretation nor by Fawzi's statement of position. By then we were able to study the verbatim text which proved to be less formidable than had been our first impression of it. On the basis of this text and the views expressed by the Secretary General, who seemed reasonably optimistic that he could negotiate on the basis of the second resolution, the Minister was encouraged to continue his support for it. During the afternoon he had discussed the situation with the Prime Minister.

15. To take into account events in the Assembly in the afternoon, we made some revision in the text of our statement. The Minister spoke after an intervention by Kuznetsov, who presented a warmed-over version of earlier Soviet arguments against the presence and functioning of UNEF. We showed the extracts (Fawzi-Jamau-Menon) from the verbatim record to Dixon, Spender and Munro and informed them about the Secretary General's reaction. At the same time it became known that the Arabs were again prepared to abstain on the second resolution. By the end of the Minister's statement[189] the USA delegation was confidently counting its two-thirds majority. Moderate and constructive statements by

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[189] Voir, *La crise du Moyen-Orient, janvier-mars 1957*, pp. 16-19.
See, *The Crisis in the Middle East, January-March, 1957*, pp. 15-19.

Noble, Entezam and Engen kept the atmosphere calm in the Assembly, notwithstanding a contentious statement by Eban shortly before the vote.

16. Israel's position on the second resolution remained in doubt because the debate in the afternoon had shaken the Israelis here. Comay had said that Mrs. Meir wished to reconsider whether Israel should abstain. Before the voting, however, Comay informed the Minister that Israel would abstain. The voting on both resolutions was by roll call and the results were as follows:

(a) A/3517 on withdrawal 74 in favour, 2 against (France and Israel) and 2 abstentions (Luxembourg and the Netherlands) with 2 absent (Hungary and South Africa);

(b) A/3518 56 in favour, none against and 22 abstentions (Soviet Bloc, Arabs, Netherlands) with 2 absent.

17. About the time of the voting, Lall was circulating a procedural resolution which would request the Secretary General to report on compliance with the first resolution "not later than February 3/57". The idea, which was probably Menon's, was that the same group of co-sponsors would put this resolution forward. There was considerable opposition to this move. Engen declined to co-sponsor; Dixon strongly urged Lodge not to go along with it; the Minister informed Lall that we could not accept February 3 as the target date although we might accept February 11. There was undoubtedly further opposition from Western European and Latin American delegations. As a result the procedural resolution was not moved.

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254. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 475 New York, February 5, 1957

SECRET. IMMEDIATE.

Reference: Our tel 469 Feb 4.

Repeat for information Washington, London, Paris and NATO Paris.

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

The Advisory Committee met this morning (February 5) to hear a report from the Secretary General on his meeting yesterday with the representative of Israel. The Secretary General had written to Eban on February 3 transmitting the two resolutions, adopted by the Assembly on February 2, and inquiring about Israel's attitude to the first resolution on withdrawal. The Secretary General's letter was so phrased that it did not exclude possible observations by Israel on the second resolution.

2. Yesterday Israel replied with an aide mémoire which took note of the "two interrelated resolutions" and raised the following questions:

(a) The Secretary General was asked to inquire of Egypt whether it would agree to a mutual undertaking to refrain from belligerent acts. In elaboration, the Israelis pointed out that renewed interference by Egypt with Israeli shipping in the Straits of Tiran would result in a new outbreak of hostilities.

(b) Eban had been instructed to ascertain whether UNEF would be stationed along the West Coast of Aqaba to insure that there would be freedom of navigation in the Gulf and in the Straits.

In effect, the Secretary General said that the Israelis had replied, to one question by asking two more.

3. The Secretary General said that in the "present very serious phase" he believed it essential to keep the Assembly abreast of his consultations with the parties. He had informed Eban that the records of their discussions would be used in reporting to the Advisory Committee which the Secretary General would use as his channel to the Assembly. Concerning question (a) in the preceding paragraph Eban had been informed that the Secretary General did not wish to comment without prior consultation with the Advisory Committee. Concerning (b) the Secretary General pointed out that the stationing of UNEF along the Gulf would depend on further agreement with Egypt. The Secretary General had quoted from the Minister's statement in this regard. The Secretary General had asked Eban whether the second question meant that Israel would only withdraw if UNEF were stationed along the Gulf; if Eban's reply should be in the affirmative this would amount to a prior condition to withdrawal because of the requirement of agreement by Egypt to such stationing. Eban implied that his question was not in that form but merely one concerning intended arrangements.

4. The Secretary General had asked Eban two other questions:

(1) whether Israel's withdrawal from the Gaza Strip would include the present civil administration;

(2) whether Israel would agree to the stationing of UNEF on Israel's side of the armistice demarcation line.

Eban replied that both these questions had to be referred to Jerusalem. The Secretary General had observed that replies to these questions were essential for the implementation of the arrangements contained in the second resolution.

5. Bunche informed us after the meeting that during the conversations yesterday the Israelis had concentrated on the situation in the Gulf of Aqaba and done their best to avoid references to the Gaza Strip. In addition they seemed less interested in reinstating the 1949 Armistice Agreement than in reaching a new non-aggression agreement with Egypt. This is consistent with the line they took in private conversations here with the Minister during the past two weeks.

6. The Secretary General's conclusion was that no progress had been made during the past two days although there had been some shift of emphasis. Lall pointed out that the first resolution prescribed the "complete withdrawal of Israel" so that there was no question about the withdrawal of Israel armed forces and not the civilian administration of Gaza. The stationing of UNEF in the Gulf of Aqaba would require a further agreement with Egypt and, moreover, once the Israeli forces had been withdraw from the Gulf there would be no need for UNEF there, since its main purpose was to separate the armed forces of the parties. Concerning belligerent rights, Lall said that there was no need for any affirmation beyond that contained in the Armistice Agreement. In fact the only issue which arose out of the recent Assembly discussion was whether Israel would comply fully with the first resolution. Until this happened the second resolution would remain inoperative.

7. The representatives of Brazil, Ceylon and Canada suggested in various ways that the Secretary General's position on the questions raised by Eban should not be too rigid.

Although we were all agreed that withdrawal must come first and must be unconditional, this should not prevent discussion of arrangements under the second resolution nor clarification of them. It was suggested that the Secretary General might seek some clarification from Egypt about its intentions, particularly in the Gulf of Aqaba. The Secretary General replied that to raise Eban's two questions with Egypt now would be to invert the order of the resolutions. This could not be regarded as a process of clarification but as an attempt to establish conditions and Egypt's attitude would almost certainly be negative at this stage. On the other hand, if Israel would give a clearcut commitment to withdraw, it would be entirely feasible to raise with Egypt questions about subsequent arrangements. Lall said that the Secretary General should reply to Israel's aide mémoire in the latter sense.

8. The Secretary General showed signs of frustration and weariness. At one point he said that any further attempt to explore the situation would be futile. The legitimacy of the Israeli questions was in his view over-ridden by the greater legitimacy of the demand for complete withdrawal. Speaking privately to us he said that nothing further could be accomplished by him, that the friends of Israel must take steps to encourage Israel to withdraw and that Israel must do this as an act of faith. Bunche observed that Israel had never shown much faith in the UN.

9. After the meeting we discussed the situation with Barco. He agreed that the deadlock was if anything more serious than last week. He had no suggestion to offer as to how we might proceed. He said that Lodge would return from Washington today and might have something to report on his consultations there which had been conducted at the highest level. Barco confirmed that Fawzi had addressed a letter to the Secretary General requesting a plenary meeting "as soon as possible". It was Barco's impression that other Arabs, "even those usually more friendly to us", were pressing for a resumed debate and one which would involve a resolution containing sanctions against Israel. This would seem to be an inevitable consequence of Israel's refusal to accept the outcome of last week's debate.

10. As regards sanctions, the Norwegians here believe it will be very difficult to resist new demands by the Arabs. The only alternative which is being discussed here is that Governments friendly to Israel should urge it to go along with the two resolutions of February 2, on the understanding that Israel's friends would do their utmost to see that the arrangements of the second resolution were implemented. Combined with this kind of encouragement the Governments best able to do so might apply firm pressure on Israel to complete its withdrawal.

[R.A.] MACKAY

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255. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 484 New York, February 6, 1957

SECRET. MOST IMMEDIATE.

Reference: Our tel 480 Feb 5.

Repeat for information London, Washington, Paris and NATO Paris.

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

As I reported to Léger on the phone this noon (February 6) events are moving rapidly in the direction of another crisis. Last evening Fawzi told Lodge that the negative attitude of Israel concerning withdrawal and the resulting pressure within the Arab group for renewed Assembly action made it necessary for Fawzi to request an early meeting of the Assembly. The Arabs expected the Secretary General to report then on compliance with the first resolution. When asked whether the Arabs had any resolution in mind, Fawzi said they had not. Without directly saying so, he implied that the Arabs expected the USA and the other co-sponsors of resolutions 460 and 461 of February 2 to continue their leadership in the Assembly and to press for more drastic action against Israel in order to bring about compliance with the earlier resolutions on withdrawal. Fawzi made a pointed reference to the discussion in Washington between the USA and Saudi Arabia. The implication was clear that the Arabs were watching the USA closely to see whether USA action at the UN corresponded with USA interest, expressed in the Eisenhower Doctrine, in the security and well-being of the Arab states. In this manoeuvre the USA delegation here are somewhat at a disadvantage because they know less than Fawzi does about the negotiations in Washington DC. There are two Egyptians on the advisory staff of King Saud.

2. We understand that Lodge's conversations with the President and Dulles were largely concerned with the attitude the USA should adopt toward a resolution on sanctions introduced by the Afro-Asian group. The USA delegation had not considered the possibility that they might be one of the co-sponsors of such a resolution. Accordingly they were taken aback by the Egyptian suggestion that the seven co-sponsors of last week's resolutions should follow through with a resolution on sanctions.

3. This morning we spoke to Cordier about the current situation. He confirmed what the Secretary General had stated in the Advisory Committee on February 5 (ourtel 475 of February 5). Israel's reply to the Secretary General's question about withdrawal had been substantially to pose two questions, one about a mutual undertaking to refrain from belligerent acts and the other about the stationing of UNEF along the West Coast of the Gulf of Aqaba. Since both these questions involved agreement by Egypt, the Secretary General considered that he could not raise them with the Egyptian authorities while Israel armed forces were still occupying Egyptian territory. To do so would be to give UN endorsement to an attempt to influence by armed force the policy of Egypt. The Secretary General could discuss these questions, or others like them, with the Egyptians, as a matter between the UN and Egypt, but he would be precluded from transmitting Egyptian replies to Israel, especially since Israel had made no commitment whatever to withdraw. The kind of assurances which Israel was seeking could not be regarded as anything short of prior conditions for the withdrawal.

4. On February 5 the Secretary General had raised again with Eban whether Israel's withdrawal from Gaza would include civil administration and whether Israel would agree to the deployment of UNEF on Israeli territory, particularly at El Auja. The Secretary General considered that replies to these questions were essential to the whole negotiation. Unless the Israelis were prepared to withdraw completely from Gaza and unless they would agree to the deployment of UNEF on their side of the demarcation line, there was no point in approaching the Egyptians about the stationing of UNEF along the Gulf of Aqaba or in asking them to agree to refrain from belligerent acts. In other words, the Israelis must

demonstrate their readiness to return to the régime of the Armistice Agreement. This is an issue they have consistently tried to evade, a fact which leads to suspicion that they wish to negotiate a new agreement with Egypt based on a territorial situation changed as a result of their recent military activity.

5. I explained to Cordier the Minister's view that the Secretary General should at least discuss with the Egyptians the implementation of the second resolution of February 2. We considered that the two resolutions were interrelated and both could be the subject of current negotiations. Cordier pointed out that this was not the view of the majority of the Assembly and that even those who believed that the two resolutions were related had agreed that withdrawal must come first. The fact that the two resolutions were adopted one after the other was an earnest of the Assembly's intention to proceed, immediately after withdrawal, to the implementation of the second resolution. The Israelis had tried to argue that the defeat of Kuznetsov's motion to postpone the vote on the second resolution was an indication that the two resolutions were inseparable and must be considered side by side in the negotiations with the Secretary-General. Cordier said that, in the Secretariat's view, this was not a correct interpretation. The linking of the two resolutions was intended as an inducement to Israel to withdraw but the withdrawal must take place before any step could be taken to implement the second resolution.

6. Cordier said that unless there should be some change during the day, the Secretary General would write his report tonight. It would deal with the discussions between the Secretary General and Eban. It was Cordier's view that a debate on the report could not be delayed beyond noon tomorrow. He had heard about no resolution but he assumed that a resolution on sanctions would be introduced. His estimate was that such a resolution would receive two-thirds support from the Assembly. The Secretary General hoped that this difficult situation could be headed off through some action by Israel. Cordier said that Eisenhower had sent a firm message to Ben-Gurion urging him to withdraw. In addition prominent members of the local Jewish community, which was split on the issue, had been in touch with Ben-Gurion begging him to comply with the UN resolutions. So far there had been no reaction from Jerusalem.

[R.A.] MACKAY

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256. DEA/50134-40

Note du secrétaire privé au secrétaire d'État aux Affaires extérieures pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Private Secretary to Secretary of State for External Affairs to Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, February 7, 1957

MIDDLE EAST

The Minister discussed this matter in a telephone conversation this morning with Mr. Heeney. Mr. Pearson said that he had postponed his return to New York until the situation became a little clearer. There was not likely to be a meeting before Saturday at the earliest as the Security Council was scheduled to discuss Kashmir tomorrow (Friday).

Another reason for not going immediately to New York stems from a conversation with Dr. MacKay last evening. There is apparently a rumour going around New York that the President's strong intervention at Jerusalem might bring about Israeli withdrawal on present terms. Mr. Pearson doubted that the rumour was true, but if it were, he wished the Americans to be made aware of two preoccupations we had here.

If the Israelis got out because of pressure from Washington, that is, if they complied with the first resolution passed last Saturday, then we would have a very definite obligation to back up the second resolution, as interpreted by Mr. Lodge and Mr. Pearson.

Mr. Heeney said he had pointed this out to Mr. Phleger, whom he saw yesterday. He had hoped to see Mr. Murphy, but he was completely tied up, as was the Secretary of State, with King Ibn Saud of Saudi Arabia, the Crown Prince of Iraq and Dr. Malik of Lebanon (something that must be of small comfort to the Israelis).

Phleger agreed that we would be in a very bad position indeed if, having brought pressure to bear on the Israelis, on the basis of the second resolution of Saturday, as interpreted by Mr. Lodge, they did withdraw, on the understanding that UNEF would be deployed along the border, at Gaza and Sharm-al-Sheikh, and then the Egyptians would not accept this. Certainly Dr. Fawzi had put a diametrically opposite interpretation on the second resolution when he spoke last Saturday.

Mr. Pearson agreed, and said that it would be difficult for us to permit our forces to remain in UNEF if the Egyptians did not co-operate and tried to control its functions and movements. Public opinion in Canada was now more suspicious of the operation, and there is a feeling here that Nasser is dictating what the Force should do, and not the United Nations.

Mr. Pearson said that if, however, the Israelis did not withdraw, it will, of course, be necessary to have another meeting in New York. The line we would like to take is that we will not vote for any resolution or support any measure for sanctions against Israel standing by itself. After all, we could not support the application of sanctions against Israel when we have not done so against anybody else. We would like to avoid a head-on collision over this issue, however, and perhaps the best way out would be to produce a resolution along the lines of our thinking last week, modified so that the second part of the resolution, which would be voted on separately, would be an indication that the Assembly might have to use financial and economic pressures against Israel if they do not accept withdrawal, on the basis of the new and stronger resolution on arrangements subsequent to withdrawal. If we drafted such a resolution, we would try to get advance assurance from the Israelis that they would accept withdrawal on this new basis. Then there would be no reason for calling for sanctions at all.

L.M. McINTOSH

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257. DEA/50134-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 279 Washington, February 8, 1957

SECRET. IMPORTANT.

Reference: Phone conversation Feb 7 with Minister.

Repeat for information London and Candel New York (Important).

MIDDLE EAST-ISRAELI WITHDRAWAL

As agreed in my phone conversation February 7, and as a follow up to our discussion February 6 with Phleger and his group (see my telegram 273 February 7)†, we have spoken to both Wilkins, Head of the Office of Near Eastern Affairs, and to DePalma, Deputy Director of the Office of UN Political and Security Affairs, on the present position with respect to the Israeli withdrawal. In these discussions, we made the following points:

(a) That according to our delegation in New York, it was now thought in New York that the President's strong intervention in Israel might bring about Israeli withdrawal on terms of the present resolutions;

(b) That we hoped that the State Department agreed with our view that if, as a consequence, the Israeli Government did yield and pull back their troops, a very heavy obligation would fall on the USA to put full pressure on Egypt to accept the deployment of the UNEF in accordance with Lodge's (and our own) interpretation of the second resolution;

(c) That consideration is being given in Ottawa to what the position would be if the Israelis did not withdraw: in this event Canada would not support a resolution to impose sanctions against Israel; in our view such action would be quite intolerable. On the other hand, we should certainly wish to try to avoid a head-on collision, and for this reason we outlined informally the general nature of the alternative possibilities for action in the Assembly now under consideration in Ottawa, indicating that we wished the State Department to understand privately but clearly how we felt on these aspects of the present critical situation.

2. In reply, State Department officials emphasized, that, as we had been told previously, final decisions had not yet been taken here, although urgent consideration is being given to what is regarded as the prior problem, i.e., how pressure can be placed on both Israel and Egypt through the most effective means to ensure compliance with the two resolutions.

3. It seems reasonably clear that a message has gone from the President to Ben-Gurion, although the State Department has not been authorized to confirm this and we have not yet been given an indication of its content. At the same time, according to Wilkins, the State Department is canvassing possible methods as to how pressure can be put on Egypt to indicate acceptance of the deployment of UNEF in accordance with the terms of the second resolution. We understand that the methods by which this second step might be taken have not yet been finally fixed. Our impression, however, is that the State Department is likely not to approach Nasser directly, but to continue to work through the Secretary General and Fawzi in New York. Emphasis here seems again to be placed upon the Secretary General as the person best able to make progress on the two resolutions through his technique of "interpretations" which stand so long as they are not specifically rejected by one or other of the two parties. Wilkins said he would get in touch with us as soon as possible when their course of action had been determined.

4. DePalma, who is on the UN side, also indicated that they have not yet faced up finally to the problem which would be presented for the USA by a sanctions resolution. Their present efforts would be devoted, he thought, to obtaining in some way some form of Egyptian acceptance that would enable the Israelis to move. He doubted greatly whether it was a "starter" to think of a public Egyptian statement, and therefore thought, on lines similar to Wilkins, that the Secretary General might still be the best hope. He might be able to make some positive affirmation or statement (on the basis of his talks with Fawzi) that he had a clear authority to proceed (after Israeli withdrawal) with the tasks specified, albeit in vague terms, in the second resolution. DePalma emphasized that nothing, however, was final as of the present.

5. On the "next stage", DePalma welcomed the indication of our present thinking. He was unable, however, to indicate at the stage reached in their internal consultations what the State Department reaction would be to proposals of this nature, should it become necessary to put them forward in the UN next week. He also referred again to the problem of obtaining a two-thirds majority either for a sanctions resolution, or for a resolution on the lines of those referred to in paragraph (c) above, but agreed that the final position taken by the USA on resolutions of this kind would probably be decisive.

6. It therefore appears that Canadian thinking as of this moment is one or two hurdles ahead, and for this reason it was useful to let our views be known to the State Department, particularly with reference to our attitude to sanctions.

[A.D.P.] HEENEY

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258. DEA/50134-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 283 Washington, February 8, 1957

CONFIDENTIAL. IMMEDIATE.
Reference: Phone conversation with Minister Feb 8.
Repeat for information Candel New York and London.

MIDDLE EAST; ISRAELI WITHDRAWAL

As I reported to you on the phone, this morning, I had an opportunity, after dinner last evening at the British Embassy, for a three cornered conversation on this subject with my UK colleague and the Secretary of State. What emerged concerning the USA position was far from conclusive but I think, nonetheless, it is probably worth recording.

2. In response to my question whether the Secretary thought that the Israelis would withdraw, Dulles answered that as he was leaving for dinner he was told that "a reply" from Ben-Gurion to the President was in process of being decoded. He seemed sceptical that it would indicate acceptance of the UN demand. (We have assumed that Mr. Eisenhower's message had urged withdrawal but have still had no confirmation of this from the State Department).

3. In trying to draw the Secretary on what should be attempted if the Israelis persisted in their refusal to withdraw, I sketched to him the kinds of resolutions which you were thinking of to provide a means for having the UNEF stationed in the Straits and across the armistice demarcation line. Dulles expressed interest in your ideas and hoped very much that you would return to New York where your presence was most important. (There were things which Canada could do more easily than the USA or the UK).

4. Dulles then went on to say that the UNEF might be sent into the area of Straits (and presumably into the Gaza Strip) ostensibly "to put the Israelis out"; and then simply "stay on" pending the working out of more permanent solutions (Caccia thought the Secretary contemplated new action by the Assembly for this purpose; I did not think he implied this).

5. When Caccia and I questioned the Secretary on the USA attitude in the Assembly on a resolution invoking sanctions against Israel, Dulles was noncommittal. I gained the impression indeed that he was still undecided as to what stand the USA delegation should take.

6. We did not succeed in having Dulles express himself with any confidence on the intentions of the Egyptians in the event of Israeli withdrawal. I gained the impression, however, that he was hopeful that Nasser would permit the UNEF to function, as we hoped. He expressed high regard for the Secretary General's handling of the situation, and commenting on his methods, he observed that Hammarskjöld often followed the practice of keeping to himself, for good reason, the substance of private exchanges which he had had. (This in reference to my question as to Dulles' view of Hammarskjöld's appreciation of Nasser's intentions).

[A.D.P.] HEENEY

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259. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to United Nations

TELEGRAM ME-57 Ottawa, February 9, 1957

SECRET. IMMEDIATE.

ISRAELI WITHDRAWAL

The immediately following telegram contains the text of a draft resolution which the Minister has asked us to send you purely for purposes of consideration within the delegation at this stage.

H.B. ROBINSON

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260. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to United Nations

TELEGRAM ME-58 Ottawa, February 9, 1957

SECRET. IMMEDIATE.

ISRAELI WITHDRAWAL

Following is text of draft resolution referred to in my immediately preceding telegram. Text begins.

The General Assembly,

1. *Recalling* its resolutions of November 2, 4, 7 and 24, 1956 and January 19 and February 2, 1957;

2. *Deplores* the continued failure of Israel to comply fully with resolutions of the General Assembly regarding withdrawal behind the armistice demarcation line, and demands that Israel complete that withdrawal without further delay;

3. *Reaffirms* its responsibility and concern for facilitating after Israel's withdrawal, effective arrangements relating to security in order to create more settled conditions within which the attainment of a lasting political settlement may become possible;

4. *Urges* the Governments of Egypt and Israel to commit themselves once more to observe scrupulously the provisions of the 1949 Armistice Agreement and to this end to take all necessary measures without delay to assure full implementation of that agreement;

5. *Instructs* the Secretary-General to make arrangements, after consultation with Israel and Egypt, for the deployment of UNEF on both sides of the armistice demarcation line, in the El Auja district and in the Gaza Strip, so that the force may be in a position

(a) to assume the duties of the Truce Supervision Organization in all the areas where the Organization now functions under the Armistice Agreement between the two states, and

(b) to prevent incursions and raids across the armistice line, to help maintain peaceful conditions;

6. *Authorizes* the Secretary-General, through a civil and military mission to be selected by him, to supervise the replacement of the present civil administration of the Gaza area;

7. *Authorizes* the Secretary-General to arrange, upon the withdrawal of Israeli forces from the Gulf of Aqaba area, for assistance by units of UNEF in establishing and maintaining peaceful conditions in the area in co-operation with the Government of Egypt;

8. *Recommends* that pending agreement on the legal status of the Gulf of Aqaba and the Straits of Tiran, the parties to the Armistice Agreement should give assurances in the spirit of the non-aggression clauses of the Armistice Agreement that they will not assert or exercise belligerent rights in these waters or interfere in any way with the right of innocent passage therein;

9. *Requests* the Governments of Israel and Egypt to remove their military forces from the areas of deployment of UNEF;

10. *Requests* the Secretary-General to report in days to the General Assembly on the implementation of the foregoing recommendations;

11. *Recommends* that unless Israel's withdrawal is brought about within the terms of this resolution, the General Assembly should give consideration to measures which might be effective in achieving the desired ends. Text ends.

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261. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 534 New York, February 11, 1957

SECRET. IMMEDIATE.

Repeat for information Washington, London, Paris and NATO Paris.

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

Last evening (February 10) Engen and I met with the Secretary General. Cordier and Bunche were also present. The Secretary General showed us a draft of his report (which has now been released as Document A/3527 of February 11). The report is mainly concerned with the Secretary General's exchanges with the Government of Israel. The various documents are annexed to the report. In addition to the three which were contained in our telegram 507 of February 7† there is a letter of February 10/57† and also an earlier one of January 25† from Eban to the Secretary General. The report will be sent to you by bag.

2. The Secretary General said that Israel's questions, the two contained in the aide mémoire of February 4, must be regarded not only as dictated conditions of withdrawal but also as an attempt to exact from the Government of Egypt under duress an undertaking of non-aggression. The Secretary General was persuaded that Israel would like an excuse for not withdrawing from the Gaza Strip and in fact had not the slightest intention of withdrawing its civil administration from there. Nor did Israel intend to have UNEF in the Gaza Strip. What Israel hoped to gain was a non-aggression pact before withdrawing its troops to the Israel side of the demarcation line followed by a de facto absorption of the Gaza Strip into Israel. This is why the Israelis have been so insistent that the Secretariat should transmit their two questions to the Egyptian Government.

3. I agreed that the Israelis were trying to bargain from a position of strength and that they would unquestionably like to derive as much benefit as they could from their occupation of Egyptian territory. Nevertheless, the Israel Government had good grounds, based on the bitter experience of the past, for trying to obtain assurances from the Egyptians that the intolerable conditions which existed before October 29 should not be re-established. There was no reason why we should expect the Israelis to go back willingly to that deplorable state of affairs and it was doubtful whether the UN would be serving the interests of peace in the area if we did not seek to accomplish something considerably better than the *status quo ante*. I explained that public opinion in Canada was to a large extent on the side of Israel but in respect to the UK, France and the Western powers generally had made him suspect in Canadian eyes. It was for this reason that Canadians took the position that in order to break the current deadlock pressure should be exerted on Egypt as much as on Israel. In the public mind the complexities of the issue and of the negotiations were not understood. It was not easy to comprehend, for example, why the Secretary General in his recent consultations had apparently concentrated on the first resolution adopted by the Assembly on February 2 and had not made much effort to obtain from the Egyptians clarification of their attitude toward the second resolution. The Secretary General acknowledged that in the public eye, particularly in view of the press coverage, the issues have been over-simplified and sympathy for Israel has developed. It was his impression from talks with Fawzi and earlier with Nasser that the Egyptians were prepared to let situations develop which would be conducive to much better conditions in the area. He was persuaded, for example, that the Egyptians would not interfere with freedom of navigation in the Straits of Tiran. It seemed likely too that they would make serious efforts to control incursions and raids across the demarcation line. However, it was not politically possible for them either to make unilateral declarations or to enter into new non-aggression pacts and certainly they could do nothing in this direction as long as Israeli armed forces remained on Egyptian soil. Moreover, the withdrawal of Israeli armed forces must be com-

plete. If they withdrew from Sharm-el-Sheikh and not from Gaza, Egypt would find it necessary to retaliate, probably in the Straits, as a matter of self-defence.

4. Bunche, who seemed to be more bitter about the Israelis than the Secretary General, said that the UN must insist on withdrawal as a matter of principle. The Israelis could not benefit from military intervention. He pointed out that in 1948-9, whenever the UN had insisted on the withdrawal of Israeli forces, eventually they had been withdrawn. Moreover, there was no indication at present that the Israelis would withdraw even if they obtained guarantees of non-belligerency. Bunche pointed out that in the recent exchange of views between Israel and the Secretary General there was no commitment whatever to withdraw.

5. I said that from Israel's point of view there was no value in private assurances from Fawzi and other Egyptians. Nobody would believe that the Egyptians would do what they said privately. The Secretary General agreed and said that he had been urging Fawzi to explain Egypt's position on non-belligerency to delegations which the Israelis would listen to, delegations of such countries as Canada, Norway and the USA. The Secretary General believed that this was the best advice he could give to Fawzi. I acknowledged that it would be helpful if Fawzi reassured other delegations but I suggested that this would not be enough. Ben-Gurion would need more than that if his Government were to be put in a position to withdraw. They would probably need some kind of document and perhaps an Assembly resolution stating precisely what arrangements would follow immediately after withdrawal by Israel would serve that purpose.

6. Engen said that he had come to regard Gaza as the real issue. He believed that something could be worked out to take care of the situation in the Gulf of Aqaba. The Gaza Strip posed a much more complex and difficult problem. He sensed that the Israelis would do all in their power to remain there. The Secretary General and I agreed with this view. The Secretary General said that Ben-Gurion had made up his mind to round off its Western border whatever the Israelis might say about annexing the Gaza Strip. They were in fact attempting to carry out annexation. It might be possible to dislodge Israeli armed forces from the Strip but the replacement of the present civil administration would be tenaciously opposed.

7. I agreed with the Secretary General's assessment and asked what the UN could do to prevent the Israelis' carrying out plans which could not be justified. I was sure that sanctions would not work; that not enough Governments would get behind them even if these were warranted; that although sanctions might inconvenience the Israelis, they could find ways of getting around them, especially in the field of financial aid. I remarked that public opinion in Canada would not support the policy of sanctions against Israel in the current circumstances and that Canada would not vote for a resolution containing sanctions. Engen confirmed that public opinion in Norway was much the same and that his Government had grave doubt whether it could support sanctions.

8. Bunche was clearly disappointed by what Engen and I said about sanctions. He did not see how the UN could shrink from its duty of combatting military aggression by any means available. He cited Korea as a comparable case of UN reaction to aggression. I said that the Korean situation was not analogous; the circumstances of the Israeli intervention were not nearly as clearcut; many regarded Israel's military action last November as a defensive move made in desperation, even though it was unwise. The Secretary General agreed that the moral issue was probably not clear enough to warrant a recourse to sanctions. Bunche remarked glumly that if there were no sanctions there would be no withdrawal and that

eventually Nasser might, in order to save face, resort to force with far reaching consequences.

9. I said I was not so pessimistic. I hoped that if the Egyptians could be persuaded to be more forthcoming about their intentions we might produce a resolution which would serve as an acceptable basis for a decision by the Israel Government to withdraw. I pointed out that we had been trying to do just that two weeks ago but that our original text had been so watered down as to become useless for the purpose we had in mind. We were giving some thought to a new resolution and I outlined in very general terms what it might contain, while emphasizing that our ideas were still tentative and we did not wish them to be disclosed at least at this stage. I hoped that other delegations, but particularly the USA, would now be prepared to promote these or other ideas. I referred to Lodge's main intervention in the recent debate, a statement which suggested the kind of developments which might create the conditions not only for withdrawal but for a greatly improved situation in the area. I emphasized that our aim would be not to produce a resolution which pleased one side or the other but to produce a sort of Assembly judgment on what should be done to break the deadlock and to assure progress toward the creation of peaceful conditions. If Egypt should co-operate with this move it might make it easier for Israel to do likewise and in any event, if Israel still refused to withdraw on a basis which we considered reasonable, Israel would be shown to be clearly in the wrong which was not the case now in public opinion.

10. We discussed various parts of a resolution defining more precisely the arrangements which should follow upon withdrawal. We agreed that the withdrawal from the Gulf of Aqaba must be linked with the withdrawal of troops, at least, from Gaza or else the Egyptians would not agree to allow freedom of navigation in the Gulf. The UN officials, particularly Bunche, believed we would have great difficulty in persuading the Israelis to allow UNEF on the Israel side of the demarcation line. We agreed that if Israel insisted on linking its withdrawal with freedom of passage in the Suez Canal our task would be even more difficult. The Secretary General expressed the view that Nasser would be prepared to allow the Canal clearing to be completed before the completion of withdrawal but that Israel's defiance as regards withdrawal might make Nasser's position untenable. It was a virtual certainty, moreover, that once the Canal was cleared Israel would put to the test its right to use the Canal. If Israel had not withdrawn from Sharm-el-Sheikh and Gaza by that time, the Egyptians would certainly not let Israeli ships pass. Even if some withdrawal had taken place Egypt might find means to block Israeli shipping; the Egyptians would also try to use their control of the Canal as a means to bring about a refugee settlement.

11. The Secretary General said that the USA wished to delay the debate until February 14. The Secretary General's report would be distributed on February 11. The Secretariat were not sure that the debate could be delayed until Thursday. They remarked, however, that the Afro-Asians were not as sure of their position as they had been earlier. They too were conscious of the lack of public support for sanctions. The Arabs were counting on the success of King Saud's visit to Washington but there was little evidence yet that this would result in the kind of support needed to make sanctions effective. The Secretary General suggested that the best course might be to persuade in a subtle way the Egyptians to be more forthcoming. He saw no possibility that the Israelis would "risk" withdrawal if assurances about the future were not precise. He agreed with my view that if we did not succeed soon in bringing about a withdrawal the whole UN effort in the MidEast might be gravely jeopardized with the most serious long-range consequences for the UN and perhaps even for peace.

L.B. PEARSON

262. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 538 New York, February 11, 1957

SECRET. IMMEDIATE. CANADIAN EYES ONLY.

Repeat for information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Belgrade, Capetown, Tel Aviv, Beirut, Athens, Ankara, Moscow, Rome, Djakarta, Rio, Dublin, Madrid, Stockholm, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

This morning (February 11) I discussed this subject with Mrs. Meir and Comay at their request. Mrs. Meir explained that Eban was in Washington discussing the same matter with Dulles. She wondered whether we had any info about the USA attitude. She referred to the speculation in the press about sanctions as being the next step which the UN would take in its effort to bring about a withdrawal of Israel behind the demarcation line.

2. I said that it was my understanding Dulles was now giving the subject his full attention. We had heard that he was considering the possibility of giving to Israel a guarantee of freedom of navigation in the Gulf of Aqaba and the Straits of Tiran. This guarantee would be given on the understanding that Israel's withdrawal would be completed and the guarantee would remain in effect pending a satisfactory and more permanent arrangement to ensure Israel's rights in these waters. There had been some suggestion that other states might join in the guarantee.

3. Mrs. Meir said at once that such a guarantee would be satisfactory to Israel. Ben Gurion had suggested as much to the USA Ambassador in Israel and Mrs. Meir had raised the possibility in her discussions with USA representatives. She thought it would be sufficient to give the guarantee and that it would not be necessary for ships of the USA navy to stand by to implement it.

4. Léger enquired whether, if the guarantee were given, Israel would consider it necessary to have UNEF stationed at Sharm El-Sheikh. Mrs. Meir replied that this would depend on the Egyptian reaction to the guarantee and in particular, whether Egypt took steps to re-establish its military position in the Straits. We had the impression that a guarantee by the USA and perhaps other powers would obviate, as far as Israel was concerned, the need for other measures to ensure freedom of navigation in the Gulf of Aqaba.

5. Mrs. Meir then spoke about Eban's most recent conversation with the Secretary General. She could not understand why the Secretary General had called Eban from Washington because nothing had been added to the exchange which took place from February 4 to 6. (She, of course, did not share the Secretary General's view that he should give Israel a further opportunity to reply to his two questions). Mrs. Meir complained that the Secretary General had been interested only in Israel's attitude towards withdrawal and not in Egypt's intentions concerning the arrangements which must be made effective immediately upon withdrawal. She mentioned, in particular, the Secretary General's negative attitude towards the questions which Eban had asked the Secretary General to pass to the Egyptian govern-

ment. She showed clearly that she shared Eban's view that the Secretary General had declined to act as an intermediary. (We have explained in earlier telegrams why the Secretary General considered that he should not transmit the questions).

6. I said that we foresaw three possible lines of development: (a) the withdrawal would be arranged on terms satisfactory to all concerned (b) Israel would not be satisfied with the terms which the UN approved for the withdrawal and would stay in both Sharm El-Sheikh and the Gaza Strip (c) the Assembly would agree on detailed arrangements for withdrawal but these would not be accepted by Egypt. We, of course, were interested in promoting (a). However, if our efforts should fail and the result turned out to be (c) this would leave Israel in a stronger position. It would be difficult in such circumstances for the Assembly to take drastic action. If we were to prepare a resolution which would contain the arrangements implicit in (a), we must know with some precision what Israel would expect before it would agree to withdraw.

7. What followed was a lengthy explanation of Israel's position on the main issues.

(a) Sharm El-Sheikh — Mrs. Meir said that there was no difference of opinion between Israel and the Secretary General about the ultimate objectives; Israel should be guaranteed freedom of navigation in the Straits and in the Gulf. This view was shared by a number of influential states. There was a difference, however, on how the aim should be accomplished. The Israelis believed that they should stay until they had received satisfactory assurances about freedom of navigation. They had made very clear to the Secretary General that the ships of Israel would never again be turned back at the Straits because of the threat of Egyptian guns. Israel would shoot its way through. Accordingly, if Israel should withdraw without satisfactory assurances, the real risk was that there would be a new outbreak of hostilities. The fundamental question was whether or not there was a state of belligerency between Egypt and Israel. For this reason the most satisfactory assurances about freedom of navigation would be a mutual undertaking to abstain from belligerent acts. This was why Israel had asked the first question (aide mémoire of February 4) but the Secretary General had declined to put the question to the Egyptian government.

(b) Gaza Strip — It was essential that Nasser should not return to the Gaza Strip as a victor. Mrs. Meir described the "victory parade" which the Egyptians had staged on their return to El Arish. Already there had been Fedayeen raids based on El Arish. This "proved" that Israel was right in its attitude towards withdrawal from the Gaza Strip. UNEF troops — and particularly Indians, Yugoslavs and Indonesians — could not be counted upon to take the measures necessary to prevent Fedayeen activity. It was doubtful whether Canadians and Scandinavians would wish to conduct the kind of operations which would be necessary in a search for arms. Since the security risk to Israel was so great, Israel could not allow the Egyptians to return to the Gaza Strip and to revert to their evil practices of the past. There was no advantage to Israel in keeping the Gaza Strip; it would be a costly operation because, unlike Egypt, Israel could not allow the Gaza population to live in the misery which they had suffered during the Egyptian occupation. Nevertheless, Israel could withdraw its armed forces from Gaza and it was prepared to have a UN committee discuss with the Government of Israel future arrangements for administering the Strip. The Gaza Strip was the key to Israel exploitation of the Negev and a recent increase in the number of immigrants (from Egypt and Poland) made it imperative that the Negev should be exploited rapidly. It should be recognized that the situation as regards the Gaza Strip was complicated and it could not be settled by a simple demand that Israel withdraw. There was a need for a comprehensive study of the situation without the pressure of an Assembly resolution calling for a report in a very short time.

(c) Deployment of UNEF. In response to questions Mrs. Meir expressed a strongly negative reaction to the deployment of UNEF either in the Gaza Strip or on the Israel side of the demarcation line. She employed the usual arguments about the narrowness of Israel's territory, the density of population, the possibility of incidents between UNEF and Israel armed forces and the adverse reaction of Israeli private citizens. She added that the presence of UNEF along the Egypt-Israel demarcation line might result in pressure, through the occurrence or the threat of incidents along the other demarcation lines, to have UNEF deployed all around Israel. This would create an impossible situation. She seemed unimpressed by the arguments that an agreement between the UN and Israel for the presence and functioning of UNEF in Israel would give UNEF a better international standing and weaken whatever control Egypt might now exercise over it.

(c) Sanctions. Mrs. Meir wondered why all the pressure was being exerted on Israel. She acknowledged that the military intervention of last November had produced a psychological reaction but there had been other "aggressions" (she mentioned Kashmir and Hungary) which had not stimulated the same reaction in the General Assembly. The Israel Government had carefully considered the possibility of sanctions and had decided it would not give in to a threat of sanctions because it could not do so. There would certainly be terrible hardship but Israel could not forego its right to self defence nor could it throw up a barrier against the immigration of Jews from various countries in which they had been oppressed. Mrs. Meir acknowledged that the first objective of Egypt and its supporters would be to introduce a resolution on sanctions; she was glad to hear that Canada would work to prevent such a resolution.

(e) Suez Canal. Towards the end of our interview I asked Mrs. Meir whether Israel would link freedom on passage in the Suez Canal with its withdrawal. I pointed out that in a very short time the UN team would have cleared a passage through the Canal; that this would necessitate interim arrangements for traffic in the Canal. Mrs. Meir's first reaction was that Israel would insist on assurances concerning freedom of passage in the Canal but later we gathered from Comay that this might not be one of the pre-conditions of the withdrawal.

8. As you will appreciate the line taken by Mrs. Meir was a tough one. It offered little opportunity for compromise. Her attitude was particularly disturbing as regards withdrawal from Gaza and the deployment of UNEF on the Israel side of the demarcation line. She was almost as uncompromising in her attitude toward the Armistice Agreement and argued in favour of a new non-aggression pact. I found all this discouraging but Mrs. Meir might have deliberately taken this tough line for purposes of bargaining.

9. I tried to persuade Mrs. Meir that Israel should make a clear commitment about withdrawal and that this should apply to the Gaza Strip as well as to Sharm-El-Sheikh. I pointed out that Israel's attitude toward and actions in Gaza would inevitably be interpreted as a determination to annex the territory by force. This was a difficult position for Israel's friends to defend. I recognized Israel's security problem in the Negev but I urged Mrs. Meir to place greater reliance on the arrangements which the UN could make along the demarcation line and in the Gaza Strip to prevent raids and incursions. If Israel tried to remain in Gaza in defiance of the UN, Israel could expect increasing criticism in the UN and, of course, a deepening of Arab bitterness and hatred.

10. I also urged Mrs. Meir to consider carefully the deployment of UNEF on Israel territory. I said there were a number of important advantages in having UNEF on both sides of the demarcation line; in particular UN prestige in the area would be greatly enhanced; and the net effect could only be to the advantage of Israel in its quest for peaceful relations with its Arab neighbours. I acknowledged that there might be some problem because of the

density of population on Israel's side of the line but it seemed to me that practicable arrangements could be made which would meet the principle of deployment on both sides.

11. I must confess that my arguments, both about Gaza and the deployment of UNEF, seemed to make little impression on Mrs. Meir. Nevertheless, she was clearly anxious to have our support in the forthcoming debate and I sensed that for all its toughness the Israel Government was not a little concerned about the prospect of having to face the mounting hostility in the Assembly which Israel's apparent intransigence would produce.

L.B. PEARSON

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263. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 555 New York, February 12, 1957

SECRET. IMMEDIATE.

Repeat for information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

This morning (February 12) I discussed the current situation with Lodge. He could not tell me much about the USA position because at the very time we were talking Dulles was holding a policy meeting in Washington. Lodge expected to know the results later in the day and promised to let me know them. His understanding was that Fawzi would ask for a plenary session on February 13 and that the Afro-Asians would introduce a draft resolution providing for sanctions. Lodge had seen the text (we did not see it until later in the day). Lodge agreed that Fawzi might withhold his hand until the results of the USA declaration on freedom of navigation had become apparent.

2. Lodge agreed that in the Middle East proceedings the Assembly was near the end of the road. There were not too many courses open. Lodge had been studying the possibility of having the Assembly refer the matter back to the Security Council. Later Barco told us the idea would be to have a Council resolution which would prescribe the various steps which should be taken after and including withdrawal. This resolution would have teeth, probably in the form of sanctions, and would be so designed as to put pressure on both Egypt and Israel and at the same time not provoke a veto. This sounded to me like a tall order but it would certainly make life easier for members of the Assembly. Lodge explained that the idea had originated in NY and thus far did not have the blessing of the USA Government. We should treat it with reserve, I think.

3. I said we must try to avoid a resolution containing sanctions but it seemed inevitable that one would be submitted. In this event we should try to prevent a vote on the draft resolution. Lodge seemed to agree. I said we were considering whether to introduce an alternative resolution which would attract the support of delegations who were not keen on sanctions. I said that in present circumstances Canada would not vote for sanctions; that

public opinion in Canada was largely sympathetic to Israel on this issue and any vote in favour of sanctions would be misunderstood. Lodge said that the same sentiment was developing in the USA.

4. The alternative in our view was to present a draft resolution which spelled out in some detail what UN intervention in the various areas would mean. It would be necessary, however, to persuade the Israelis in advance to accept a resolution of that kind. If Israel should find it acceptable we might be able to organize sufficient support for such a resolution.

5. I described briefly my talk yesterday with Mrs. Meir. I referred in particular to Israel's tough stand on the Gaza Strip. I suggested that we might eventually have to include in any draft resolution we might propose a recommendation that a committee be established to study conditions in the Gaza Strip with a view to determining its future status and the kind of administration there. Referring to the proposed USA guarantee on freedom on navigation, I said that it might be possible to arrange a withdrawal of Israel armed forces from Sharm-El-Sheikh and Gaza and to combine this with a proposal for an investigatory committee or mission to deal with the question of how the Gaza Strip should be administered.

6. It was our view that instead of placing additional burdens on the Secretary General we should establish a committee, perhaps of three persons rather than governments, for Gaza. Lodge agreed that the Secretary General had probably reached the end of the line in his current dealings with Israel and that he could hardly be expected to take on the complex negotiation which any future arrangement for Gaza would involve.

7. We compared notes about the possible voting on a sanctions resolution. We agreed that it was difficult at this stage to reach a definite conclusion but it was clear that sanctions would not have overwhelming support; that it might not be too difficult to organize a blocking third.

[L.B.] PEARSON

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264. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 559 New York, February 13, 1957

SECRET. IMMEDIATE.

Repeat for information Washington, London, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

This morning (February 13) I discussed current developments with Dixon, Spender and Munro. Because the situation here is so fluid we were unable to reach any definite conclusions about future proceedings in the Assembly. The timetable for the debate is unsettled; the Afro-Asians last evening were planning to resume the MidEast discussion in a plenary session on February 14 after a number of committee items had been disposed of. This could mean that the MidEast debate would begin tomorrow afternoon but the timetable would depend on how much discussion there was about committee items. Late last evening the Secretariat could not forecast how the proceedings in plenary would develop.

2. Another unsettling factor is that the USA position remains unclear. The USA delegation have not yet received instructions on how to deal with the MidEast question when it is raised again in plenary. Presumably the USA position would depend largely on the reaction from the Israel Government to the USA aide mémoire which has handed to Eban on February 11.[190] The USA delegation this morning could only confirm what had appeared in the press, that the Israel Cabinet had deferred decision pending clarifications which were unspecified.

3. At the Old Commonwealth meeting this morning we discussed the USA aide mémoire. Dixon and I had the text but the others had not seen it. We wondered whether the USA planned to integrate its bilateral dealings with Israel in the proceedings at the Assembly. The best guess seemed to be that Lodge would refer to it in a statement and he would like others to make supporting noises in the debate. It seemed unlikely that the USA move could be formally endorsed by the Assembly.

4. We also speculated about Israel's reaction to the aide mémoire. It was clear that the precondition of any USA guarantee of freedom of navigation in the Gulf of Aqaba was the withdrawal of Israel armed forces both from Sharm-El-Sheikh and the Gaza Strip. The aide mémoire implied that Israel's civil administration in Gaza must be withdrawn as well. We assumed that withdrawal from the Gulf area would not prove difficult for Israel but withdrawal from the Gaza Strip might be the sticking point. The USA might be pressed by Israel to go farther and to give additional assurances about the future administration of the Gaza Strip.

5. This led to a discussion about the possibility of associating the UN with the civil administration of Gaza. Reference was made to the views of Labouisse who has had separate discussions of some detail with Munro and me. Labouisse had also made his views known to Dulles. Although the practical problems were extremely difficult (we were all four agreed) that some form of UN civil administration, working in conjunction with UNEF, might be established. The chance for success in this direction would be increased if the USA could be persuaded to provide financial backing from the funds which the President will have at his disposal for economic aid to the MidEast. The presence of 250,000 refugees, who were wards of the UN and who would require UN relief as long as they remained in the Gaza Strip, was a compelling argument for associating the UN closely with the Gaza administration.

6. I pointed out that the main problem might be to gain time in which to study the practical problems. I believed that there was no alternative to insisting on the withdrawal of Israel's armed forces, they should be replaced by UNEF. There could not be, however, and Labouisse emphasized this, any haphazard replacement of the present civil administration. A simple return to the Egyptian régime seemed out of the question. I wondered whether we could persuade the Assembly to establish a three-man committee or visiting mission which would study the political, economic and social problems of replacing the present administration with one which would be largely in UN hands. The emphasis in any such investigation should be on the humanitarian needs both of the refugees and indige-

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[190] L'aide-mémoire des États-Unis est réimprimé dans United States, Department of State, *Bulletin*, Volume XXXVI, No. 924, March 11, 1957, pp. 392-393.
The American aide-mémoire is reprinted in United States, Department of State, *Bulletin*, Volume XXXVI, No. 924, March 11, 1957, pp. 392-393.

nous Arabs. The other three Commonwealth representatives responded favourably to this suggestion.

7. At the end of the meeting we agreed that the immediate requirement would be to seek clarification of the USA position. I said that Lodge had promised to let me know as soon as he received his instructions from Washington. Dixon said that we might explore with the USA delegation our ideas for dealing with the problem of replacing the Israeli administration in the Gaza Strip.

L.B. PEARSON

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265. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 601 New York, February 15, 1957

SECRET. IMMEDIATE. CANADIAN EYES ONLY.

Repeat for information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Capetown, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

Yesterday (February 14) there was little change in the situation here. Behind the scenes the Arabs continued their pressure for a resumed debate. They were dissuaded, so I believe, largely through the efforts of the Secretary General and the USA delegation. The most obvious reason for postponement was the desirability of having a reply from the Israel Government to the USA aide mémoire of February 4. There was also the continuing doubt among the Afro-Asians that a resolution containing sanctions would not get the kind of support which would be necessary to make it practicable. This was particularly true as long as there was some possibility that Israel's withdrawal could be brought about through other means.

2. The USA delegation had received no instructions from Washington about the position which they should adopt either with respect to sanctions or as regards the USA initiative concerning freedom of navigation in the Gulf of Aqaba. We and others considered it essential to know the USA position before we could map out tactics for the expected debate. In the circumstances we spent most of the day trying to find out whether the USA position had been made firm and when the expected debate would take place. Since both depended to a large extent on the reply from Israel and since this reply (as we learned late last evening) was not to be delivered until today, our discussions and consultations yesterday were inconclusive.

3. In the late afternoon I discussed the situation with the Secretary General. While agreeing that Dulles' initiative had had some useful immediate effects and had brought us a little time, he was doubtful whether such a unilateral approach would produce the desired result, especially as it was a somewhat indecisive one. The Secretary General believed that the Israelis would do all in their power to prolong their discussions with the USA and that a

definitive reply would not be given for some time. The Israelis would probably try to separate the guarantee concerning the Gulf of Aqaba from the requirement of withdrawal from the Gaza Strip. The Secretary General's impression was that the Arab resolution to counter these Israeli tactics would contain some provision for sanctions but that the text might be more moderate than the one which we were shown earlier this week. We hope to get a copy of the latest Arab text tomorrow. It has been agreed on but its contents are being kept very secret at present.

4. The Secretary General was surprised by the fact that the USA had not shown the Egyptians at once the text of the aide mémoire to Israel. The Secretary General had been shown the aide mémoire but he had not kept a copy of it as he did not wish to be the intermediary in sending it to the Egyptians. The Egyptian Foreign Minister had told the Secretary General that it was difficult for them to express any opinion about the USA move pending details and the receipt of news of the Israeli reaction to it. The Secretary General considered the USA approach somewhat unrealistic and he would not be surprised if the Egyptian reaction turned out to be as negative as the Israelis would be indecisive.

5. Last evening I had a further conversation with Dixon, Walker and Munro. We had earlier agreed to keep in close touch during this period of confusion. We discussed developments during the day. In particular I reported on my conversation with the Secretary General. On tactics, we concluded that in the circumstances which could be foreseen, we should work to have the debate begin without any resolution. During this preliminary stage we and others could continue to consult to see whether a resolution, alternative to the Afro-Asian attempt to impose sanctions, could be worked out. Such a resolution might be introduced after the debate had continued long enough to show that opinions about sanctions were sharply divided. At that stage it might be possible to attract sufficient support for a constructive resolution along the lines of our original draft of two weeks ago.

6. The Commonwealth representatives agreed that the Israelis would try to delay their withdrawal until the Canal was opened. At that time they might make an attempt to pass one of their ships through the Suez Canal. If, as we expect, the Egyptians prevented this, the Israelis would have a strong excuse for continuing their occupation of Sharm El Sheikh and the Gaza Strip. There is little new to add today (February 15). It is now known that Fawzi is determined to have a debate in the next day or so. The USA delegation expects to hear this afternoon about Israel's reply to the USA aide mémoire. The USA continued their efforts to dissuade Fawzi, and after they had told Fawzi that President Eisenhower wished to consult Dulles and Lodge tomorrow in Georgia on the Israeli reply, and after Fawzi had consulted some of his friends, it was agreed to postpone the debate until Monday.

[L.B.] PEARSON

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266. DEA/50351-40

L'ambassadeur en Égypte
au secrétaire d'État aux Affaires extérieures

Ambassador in Egypt
to Secretary of State for External Affairs

TELEGRAM 144 Cairo, February 16, 1957

SECRET. IMMEDIATE.
Repeat: Permis New York (Immediate).

Repeat for information London, Washington, NATO Paris, Paris from Ottawa
By Bag Canberra, Wellington, Karachi, Tel Aviv, Beirut, Athens, Ankara, Moscow, Belgrade from London and Delhi from Ottawa.

CURRENT TRENDS IN THE MIDEAST

There are significant signs that throughout the whole MidEast there has been manifested a determination to resist subversion by communism. (While not being altogether an exception to the above trend, Egypt's case is somewhat unique and requires different treatment, as given below).

2. In Jordan, about two weeks ago, there was the strongly worded letter of the King to the Prime Minister warning him of the dangers of Communist subversion. It is well known that there is coolness between the King and his Prime Minister. Certainly Nabulsi is no fellow traveller but a shrewd politician whose main object, naturally enough, is to remain in power. According to competent observers he is still with some reservations pro-Western; he was even known once to be favourably inclined towards an Iraqi orientation with a record of having spoken in favour of the Baghdad Pact. He would probably have wished to form his government at a later date so that he could further develop his relations with the "street"; opposition is always a more strategic position for this. Although I understand that Nabulsi has tended to minimize the political significance of the King's letter, yet right afterwards he ordered a crackdown on all Soviet publications and banned all forms of Communist propaganda within the country. In talking to me recently the Jordanian Ambassador did not attempt to hide his delight in the King's letter; he assured me that it had received encouraging support within Jordan, but even more important, it was a sign that the young King would not sit idly by and see his régime subverted.

3. In Syria there is evidence from various quarters of a strong anti-government current being manifested, particularly with regard to the current political trial in Damascus. The populist "Al-Sha'b" forces which recently were so badly routed seem to be getting up courage again in the Aleppo area, which is their political base, and to be showing signs of fighting back. It is I think worth noting that one of the leaders of the national party, Michael Elian, who has recently taken asylum in Turkey, could easily with Turkish connivance slip across the border into Aleppo and start a rebel movement when the moment seemed propitious. Takieddine, the Lebanese Ambassador here, believes that the time is not right for an armed move against the Syrian Government because Serraj and his cohorts have still too tight a grip on the army machine. (Takieddine's brother is a prominent Druze politician, a master of intrigue with close connections with the rebel Druzes of Syria who can be counted upon to be hostile to the present Syrian régime). But, allowing a few months for discontent to gather momentum and for support from neighbouring countries such as Turkey or Iraq to be cultivated, such a move might well succeed although if backed by foreign governments might have alarming international consequences. I have been informed in strict confidence that the Syrian Ambassador here (a former Minister of Finance) is out of sympathy with his government and would welcome a return to a more balanced and traditional form of régime.

4. Through a source in the Syrian Embassy, I understand that Akram Hourani, the Socialist leader in Syria (presently cooperating with the Communist) had recently proposed that if King Saud should launch a diplomatic campaign to isolate Egypt, then his party in retaliation would initiate a subversive movement in Saudi Arabia, aimed at installing a republic. According to the same report Nasser is said to have sharply discouraged Hourani from any such move as having a disastrous effect upon relations between the four allied Arab states.

5. This whole trend of course is most open and unequivocal in the Lebanon. Not only has the Foreign Minister been openly proclaiming Lebanese friendship for the West but this week President Chamoun has, in a press interview, taken issue with those Arab leaders who believe that they can follow a neutral course between East and West. His government's unswerving preference for the West has not been seriously challenged within Lebanon. Increasing Lebanese irritation with the present Syrian policies is also compelling them to look more and more to the West for protection and support.

6. As for Saudi Arabia no-one can seriously doubt the anti-Communist sentiments of the King; the dangers of internal subversion in that kingdom would seem to arise chiefly from dynastic factors, i.e. smouldering Hashemite resentment and from the Shammars of the Northern Nejd. There is of course popular sympathy for Nasser, which would not threaten the King as long as he remains friendly to Nasser.

7. Within Egypt there are most noticeably two trends: (1) because of the desperate economic situation there is, however unwilling it may be, increasing dependence on the Soviet Bloc, and yet (2) as reported in earlier telegrams, there is some nervousness about dangers of internal subversion as seen by the closing down of recent Soviet film festival, and stringent measures against indigenous Communist activities. We have also reported on the toning down of press criticism of the Eisenhower Doctrine while the government has still refrained from any public comment. Thus although Nasser is too heavily committed particularly in the commercial field to the Soviet Bloc to be able to afford the luxury of any overt gesture against the Soviets, I still believe that he is as reluctant as ever to become a Soviet puppet. But to avoid this grim fate he desperately needs some diplomatic encouragement and economic relief from the USA. But I have the impression that the terms the USA may ask for such aid will be such that Nasser may find it difficult if not impossible to accept. There will probably be a major policy decision made following King Saud's forthcoming talks in Cairo with Nasser, Kouatly and King Hussein.

8. I have had hints that as a counter balance to the alarming economic dependence on the Soviet Bloc Nasser would even welcome the early resumption of relations with the UK if the proper formula could be found. Thus Egypt's position is somewhat different from its neighbours; however anxious Nasser may be [to] show himself independent of all blocs the supply situation is so critical that he cannot afford to offend the USSR unless and until he is sure of something like a *quid pro quo* from the USA. He is also acutely sensitive to what he believes are USA attempts to isolate Egypt from other Arab states.

9. Yet with all these various signs of desire to resist Communist subversion combined with varying degrees of hope for better relations with the USA, there is mounting fear and dismay over recent USA moves vis-à-vis Israel. Those Arab leaders who wish to stand forth as friends of the USA and the West must have some tangible evidence that such friendship pays off, and this in the present situation means more than military aid to a King of Arabia. It means convincing proof that the USA has been the effective power in dislodging Israel from the Gaza Strip and Sharm-El-Sheikh unconditionally. If there is serious compromise on this and if there appears to be more concern in USA policy over Israeli susceptibilities than with what the Arabs believe to be their just cause, tentative moves indicating determination to resist communism will be stultified. Those leaders who wish to show their independence of Nasser or who firmly reject flirtation with the Russians, will be seriously discredited. They will be taunted with the charge that friendship with the USA has earned nothing but major concessions to Israel. In this connection it should be emphasized that there tends to be an over-simplification on the part of some foreign observers in thinking that Egypt is the only Arab country that has a quarrel with Israel. They are all in varying degrees obsessed with the phenomenon of Israel's dynamic expansion.

10. There is no stronger unifying force in the Arab world than fear and hatred of Israel. It may seem strange to speak of fear of such a small state, but in the light of its demonstrated military striking power, of the diplomatic support that the Israelis can mobilize abroad, of substantial grants and financial aid especially from the USA that the Israelis enjoy, of the steady expansion of its borders, of its recent mauling of Egyptian forces, there is obviously no neighbouring Arab country that can effectively cope with Israel. In the light of all this, there is no doubt that fear of Israel is the predominant emotion in this part of the world. Unless the Arab world is convinced that Israel can be contained, the fear, in my estimate, is so great that it overrides the fear of communism even among conservative Moslem leaders, particularly if to it is added the belief that Israelis enjoy massive Western support. It is refusal to appreciate the depth of this fear, however it may be, that drives the Arabs more and more towards the USSR. Without expecting that the USA will ever go back on its assurances that Israel has a right to exist, if the USA could nevertheless prove to be the decisive agent in effecting Israeli withdrawal, it could score a resounding diplomatic victory over the Russians in this whole area. Conversely if this is not achieved and Israel succeeds in winning major conditions for her withdrawal, (or remains in possession of its present gains), not only will the Arab leaders whose encouraging moves I have described above be generally discredited but the unifying force of fear and hatred for Israel will be translated directly to the USA. The outside world may scoff and ask what has a great power like the USA to worry about the resentment of these impotent, quarrelsome and frustrated nations, but the sequel to this I fear would be a stunning gain for Soviet diplomacy and the conversion of this whole area into what the Eisenhower doctrine is aimed to prevent, namely a *point d'appui* for aggressive Soviet policy. Nobody would be more mortified than the Russians to see the USA emerge as the effective power in curbing Israeli ambitions and no one would be more delighted to see Israel succeed in her efforts to flout the UN, and thus to stampede the Arabs into turning to them for aid and comfort.

[E.H.] NORMAN

267. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET [Ottawa], February 19, 1957

Present:
The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of National Health and Welfare (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin).

UNITED NATIONS; MIDDLE EAST SITUATION
(PREVIOUS REFERENCE JAN. 31)

1. *The Secretary of State for External Affairs* reported on recent developments in the United Nations concerning proposals to deal with Egyptian-Israeli differences and to bring about the withdrawal of Israeli forces from Egyptian territory. A major debate on Middle Eastern problems was to have begun some days ago but the United States, not wanting a decision on sanctions if it could be avoided, was successful in having the debate postponed. This had been all to the good, because it gave other countries an opportunity to seek a more constructive solution or prepare for the debate. The U.S. had hoped to persuade the Israelis to evacuate their troops from the Gulf of Aqaba area and the Gaza Strip and to place the civilian administration of Gaza under U.N. auspices in return for an undertaking that the U.S. would make every effort to see that Israel's rights were protected. Israel had not agreed. Meanwhile, the Israeli Ambassador to the U.N. had returned home for a day or two for consultations and President Eisenhower was consulting U.S. congressional leaders on what the next American step should be. The U.N. debate would probably open on Thursday.

Rumours were rife about U.S. intentions. Mr. Lodge was supposed to have assured the Arab-Asian countries that the U.S. would support a resolution imposing sanctions on Israel. The Secretary of State had made strong appeals to our mission in Washington and to others to support the U.S. position, whatever that might be. But this would not be determined until after Mr. Eisenhower's talks with congressional representatives. In Mr. Dulles' opinion the situation was difficult, dangerous, and momentous. If Israel did not leave Egyptian territory at once and trust her friends to obtain the assurances she so badly desired, hostilities would be resumed and the Suez Canal might remain closed indefinitely.

In this event, Mr. Dulles argued, western countries and Israel would have played in to the hands of communism and the Soviet Union would penetrate deeper into the Arab world. If the west did not get the Israelis out, Russia would. The Arabs have said clearly that if Israel does not move it would be extremely dangerous for the west not to support sanctions.

2. *Mr. Pearson* said that he had been in touch with the Secretary General and the Israeli, Arab, Commonwealth, and several other delegations to try to obtain agreement on a plan which would spell out in detail the arrangements to be made after Israel withdrew. Following this he had prepared a resolution which would provide for freedom of navigation in the canal and in the Gulf of Aqaba, and for U.N.E.F. to be placed along these waters to see that such freedom was provided and also in positions on the armistice lines and in the Gaza Strip. Gaza was complicated. It should return to Egypt but his proposal would ensure that this happened under the aegis of the U.N. The plan was not new but there seemed to be a good deal of support for it. Mr. Hammarskjöld was enthusiastic. The Egyptians had made no comment but could not be expected to. The Israeli U.N. representative would probably accept it. However, his government would no doubt want to have the security arrangements stated more clearly. This was impossible.

He found it hard to believe that, in the last analysis, the U.S. would support the Arab-Asian move for sanctions even though Mr. Lodge appeared to have said his government would take such a stand. He had told Mr. Lodge that the Canadian delegation would not support such a resolution under any circumstances and would do its best to avoid a vote by introducing other ideas. Many others would also join in efforts to escape this possibility.

3. *During the discussion* the following points emerged:

(a) It was the general impression that Israel wanted to absorb the Gaza strip. This was true but the Israelis justified their stand by saying they had to prevent Gaza from being used as a base for attacks. The Canadian view was that this prevention should be done by the U.N.E.F. The Minister had told the Israeli Ambassador to the U.N. that, if Israel maintained its hold on Gaza, it would also have to assume responsibility for the welfare of the refugees in the area, of which there were over 250,000.

(b) Neither side in the dispute should know Canada's final position or that of the U.S. because whoever did would immediately stiffen its own demands. However, both had been given a general indication of the kind of resolution that Canada would support.

(c) If Canada were to sponsor the resolution outlined by the Minister, there would be a commitment, to participate in U.N.E.F. to see that its terms were observed. However, General Burns thought that no more troops would be required, and if they were, a number of other nations had offered contributions which had not been accepted and which offers might then be taken up. No ships were really needed for patrol work and the story that the Minister had suggested ships be used in the Gulf of Aqaba had just been built up on his mention of the possible use of aircraft.

(d) The additional troops which Canada had already agreed to provide would be ready to leave in two weeks' time and their equipment next week. What would be the situation if a reasonable solution were not reached in a few days? To this it was said that the issue could not be postponed much longer and by next week it should be known if U.N.E.F. could continue to function.

(e) Even if a sanctions resolution were passed, it could probably not be enforced effectively nor would Egypt be apt to renew hostilities to force Israeli troops off Egyptian territory. The Russians would not step in actively either, but they would no doubt increase the flow of arms to Egypt and intensify their political support for Nasser.

(f) Israel had stated its case well. Canadian public opinion would not countenance the U.N. forcing Israel to withdraw without reasonable guarantees as to her future safety, and with respect to freedom of navigation in the Gulf of Aqaba and the Suez Canal. On the other hand, the situation would be different if the U.N. gave these assurances and Israel still refused to move.

4. *The Cabinet* noted the report of the Secretary of State for External Affairs on recent Middle Eastern developments in the United Nations and approved the general attitude to be taken by the Canadian delegation during the forthcoming negotiations and debate on the Israeli withdrawal from Egypt and related questions, as outlined by the Minister.

R.B. BRYCE
Secretary to the Cabinet

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268. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 644 New York, February 21, 1957

SECRET. IMMEDIATE.

Repeat for information London, Washington, Paris and NATO Paris.

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

Shortly after my arrival last evening (February 20) Engen and I discussed current developments. MacKay was also present. The main theme of our conversation was an Afro-Asian decision made yesterday afternoon to allow a further postponement in the plenary debate on this subject.

2. As you know, it was assumed yesterday that the debate would begin on February 21. The Afro-Asians had their draft resolution containing sanctions and it was to be presented by Malik. We understood that most of the Afro-Asians would co-sponsor the resolution. The info which emerged here at noon from the President's consultation with congressional leaders in Washington was that the USA would support sanctions if the UN voted them.

3. Yesterday afternoon at four o'clock Engen had a conversation with Fawzi about the problem of withdrawal, among other things. Engen informed Fawzi that in present circumstances Norway would probably not support a resolution containing sanctions. This disturbed Fawzi, who obviously regarded Engen as a spokesman for the whole Scandinavian group. During the same conversation Fawzi assured Engen that whatever happened Egypt would not deliberately delay the UN clearing operation of the canal. Fawzi did say, however, that the prolonged delay in bringing about Israel's withdrawal was creating serious difficulty for the Egyptian Government. Fawzi was under heavy pressure to resume action in the Assembly.

4. About the same time yesterday afternoon Comay informed MacKay that Eban had transmitted by phone a new message from Eisenhower to [Ben-Gurion]. Ben-Gurion's

reply by phone was that he could not reverse his policy without further consultation with his Cabinet which was to meet on February 21; that moreover any change of policy should be referred to Knesset. Comay said that Israel would require until February 23 to reach any new decision on withdrawal. The implication seemed to be that there might be a softening in the Israel Government's attitude. Engen was approached in the same sense by Rafael of the Israel delegation. We understand that the USA delegation received the same info.

5. In these circumstances Engen and MacKay consulted with Cordier to see whether today's debate could be further postponed. Cordier promised to take the matter up with the Secretary-General and with the Afro-Asian group. Concurrently, the USA delegation tried once again to persuade the Afro-Asians to have patience. Lodge had said earlier that he would argue no longer in favour of postponement. In speaking to Fawzi Lodge may have given him some indication of what the President would say in his television broadcast last evening.[191] In any event, the Afro-Asians decided to postpone the debate for "twenty four hours" which we understand may run until noon on February 22.

6. The USA delegation have been suggesting to us that events are now moving in the right direction and that the Israelis will agree to withdraw. I am not at all sure that this will be the case, although Ben-Gurion may not wish to put too much strain on his relations with the Eisenhower administration. What worries me is that if the withdrawal should be effected in these circumstances without some clearer understanding about the arrangements which should follow on the heels of withdrawal, the Assembly will not accomplish what we have always regarded as its main task, that of establishing conditions in which real improvement in Egyptian-Israeli relations could develop.

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269. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 658 New York, February 22, 1957

SECRET. IMMEDIATE.

Repeat for information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Capetown, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin from London and Tokyo, Delhi from Ottawa.

ISRAELI WITHDRAWAL

Last evening (February 21) the Secretary General and Bunche called on me at my request to discuss the current situation. The Secretary General's opinion was that the attitude of Israel, as reported in the press, continued negative. It seemed unlikely that Eban would bring back with him any proposal which the USA could consider seriously. The Israelis seemed bent upon spinning out the bilateral negotiations. After the President's statement of February 20 the USA seemed committed "to follow suit for quite a distance" along the path of putting pressure on Israel.

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[191] Voir/See United States, Department of State, *Bulletin*, Volume XXXVI, No. 924, March 11, 1957, pp. 387-391.

2. The Secretary General said that he had been discussing informally with Fawzi arrangements which might be made in the Gaza Strip after the withdrawal of Israel. Fawzi's reaction had been encouraging and the Secretary General proposed to make a brief statement in plenary session which would indicate in broad terms the kind of action which the UN might take to ensure not only security but efficient administration in the area. The Secretary General showed us the text of his proposed statement and suggested that we might wish to incorporate some of the ideas in the statement which we were preparing for the debate on February 22. The Secretary General was aware that our statement would contain a programme of the measures which we thought should be put into effect immediately after the withdrawal of Israel.

2. I gave a summary of our proposed statement and read some sections from the draft which I thought would be of interest to the Secretary General. I explained that we intended to base our initial position on a statement but later we might introduce a draft resolution along the lines which I had previously discussed with the Secretary General. We wondered whether the USA would be taking an initiative; we agreed that the USA position might not emerge until after Eban had returned from Israel. Bunche suggested that the President's statement would crystallize opinion in the USA in support of a tougher policy against Israel. I said that the USA press gave little indication that this was happening. I added that we wished to be sure that any position we might take would not undercut the one which the USA proposed to adopt. For this reason we were processing carefully. Bunche said that my statement might be interpreted by some as a rejoinder to Eisenhower.

4. We were then joined by Charles Malik who had an appointment with me. I reviewed some of the ideas which we were considering. Malik enquired why we considered it necessary to spell out in a public statement the various steps which would follow upon withdrawal. He seemed to be in agreement with most of the measures we had in mind but he obviously would have preferred that the necessary arrangements be made through secret diplomacy. I explained why we considered that a precise programme to follow upon withdrawal should be brought squarely before the General Assembly. I explained the general lines of our statement. After further discussion Malik and I reached agreement on the tactics which might be followed in the debate on February 22. Malik was to introduce the Afro Asian draft resolution containing sanctions and he promised to do this in a moderate statement. He even agreed to try to persuade the other cosponsors not to submit the draft resolution in the opening stages of the debate. It seemed likely, however, that they could not be so persuaded. I agreed that our statement, which I hoped would follow closely that of Malik, would concentrate on the constructive elements and not deal at all with the question of sanctions. This meant considerable revision to the statement which we had prepared but it obviously would be sound tactics not to have at the outset of the debate a drawing of the lines on the issue of sanctions.

5. This morning (February 22) I met with Dixon, Spender and Munro and told them what we had in mind. They were in favour of the kind of programme which I proposed to explain in detail in my statement. They also shared our view about the tactics we proposed to follow. We all agreed that it would be helpful if the Israelis could be kept quiet and that, after a few statements had been made, the debate should adjourn until February 25.

6. About noon I discussed these developments with Lodge. I assured him that we had no wish to discuss sanctions at this stage and that our statement would be mainly concerned with a constructive programme to follow upon withdrawal. Lodge did not say so, but I gathered that he would have preferred no Canadian statement in the opening phase of the debate. He said that the USA delegation was preparing a resolution of its own; that he hoped we would keep an open mind about resolutions; and that we would find the USA

draft acceptable. He could not elaborate, he said, until Eban had returned to Washington with a detailed reply from the Israel Government. Lodge said that Fawzi had agreed to have a brief debate this afternoon followed by an adjournment until Monday.

7. Later we learned that the Secretary General proposed to make his brief statement; that Fawzi would make a general statement urging Assembly action to deal with Israel's non-compliance with the earlier resolutions on withdrawal; and that Malik would introduce the draft resolution containing sanctions. I proposed to speak after Malik. Before the plenary meeting, however, I was approached twice by Comay who strongly urged me not to participate in the debate this afternoon. He argued that Eban was bringing further proposals from Jerusalem and that the measures which would be advocated in my statement (I had earlier given the Israelis an outline of my ideas) might create the wrong impression in Israel and spoil the chances for a successful negotiation between Israel and the USA. The implication was that Eban was bearing hopeful tidings. This impression was not confirmed by the USA delegation. I was not a little surprised at the vigour with which Comay tried to persuade me not to speak.

8. At lunch Malik told me that his statement would be very moderate and that the Arabs were prepared to get the debate moving and no more. In other words, after short statements by Fawzi and Malik the proceedings would be adjourned. In all these circumstances I decided that it might be unwise to press our own ideas at this stage. Accordingly I did not intervene this afternoon but put my name on the speakers' list for Monday morning. As we reported by telephone, the debate this afternoon developed as forecast.

L.B. PEARSON

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270. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 666 New York, February 23, 1957

SECRET. IMMEDIATE.

Reference: Our tel 658 Feb. 22.

Repeat for information London, Washington, Paris and NATO Paris.

By Bag Canberra, Wellington, Colombo, Karachi, Capetown, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin, Belgrade from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

Last evening (February 22) Dixon and I discussed the current situation. He was a little disturbed because the short debate in the afternoon had resulted in having before the Assembly only the Afro Asian draft resolution on sanctions. He agreed that Malik's statement had been moderate but pointed out that the statements by both Fawzi and Malik revealed a firm Arab position, which thus far in the current debate had not been counteracted. (During the afternoon Dixon tried several times to persuade me to make the statement which we had prepared).

2. Dixon said that the UK could not support the Afro Asian resolution; public opinion in the UK was strongly opposed to putting UN pressure on Israel without at the same time giving adequate assurance that after withdrawal conditions in the area would be better than those which existed before the Israel armed intervention of October 29. The UK Government hoped that I would pursue the plans which I had discussed during the last few days with Dixon, and particularly that I would put forward a draft resolution along the lines of the text which we had shown the UK. I explained again to Dixon why I had not intervened in the afternoon debate; I said that we were determined to put forward our programme as soon as the debate resumed. Before committing myself to any draft resolution, however, I wished to know what the USA proposed to do. I had learned from Lodge that his delegation was working on a draft resolution.

3. Dixon and I agreed that it would be useful to discuss the situation with representatives of the Old Commonwealth and West European countries. Accordingly, we organized a meeting at the Beekman for noon today. The representatives of Australia, Belgium, Denmark, France, Italy, Netherlands, NZ, Norway, Portugal, Sweden and the UK attended. We had a useful discussion.

4. I began by discussing the current situation in the Assembly. I explained why I had not intervened in the debate yesterday. I referred to the relatively non controversial nature of the Arab statements and to the vigour with which the Israelis had urged me not to make my statement. I said that Lodge would be producing a draft resolution which he said should be satisfactory to us. I added, however, that I hear that also Lodge had informed the Arabs that they would like his draft resolution which might mean that it would be less satisfactory to European and Old Commonwealth delegations. I said it would be impossible for us to accept the sanctions resolution which Malik had submitted. I then invited comments from the meeting.

5. Dixon said that the UK wished to see a composite plan presented to the Assembly, one which would cover withdrawal and the other arrangements which must follow immediately after withdrawal. The UK could not accept withdrawal under UN pressure before adequate provision had been made for the subsequent arrangements. The UK objective was to bring about withdrawal but at the same time to avoid a return to the *status quo ante*. Dixon suggested that current USA policy placed too much emphasis on withdrawal and not enough on the subsequent arrangements. He was aware that the USA was preparing a draft resolution but he feared that there would not be time enough to evolve a plan satisfactory to all concerned. He pointed out that Eban would not reach Washington until tomorrow afternoon and that USA plans for the Assembly on Monday could not be completed until Eban had reported to the USA Government. The French representative had been informed that the Assembly would not meet until the afternoon of February 25 which would give a little more time for planning.

6. Dixon then proceeded to present UK views on the "elements of a plan" rather than the details of a resolution. This plan was almost word for word our own and no doubt based on the UK study of the draft resolution we had shown them. Dixon was obviously interested in demonstrating to the meeting that the UK was firmly behind Canada in the current approach to the problem.

7. We also discussed tactics. At the outset, I said, we proposed to make a statement which would contain a complete programme of the measures which we thought should follow upon withdrawal. In this way we hoped to attract support from other members of the Assembly. Until we knew the USA position we were hesitant to submit a draft resolution. We were particularly anxious to avoid the situation of two weeks ago when, because we

circulated our ideas too soon, they were watered down as a result of suggestions from others. Our current belief was that instead of trying to negotiate a draft resolution acceptable to all concerned, we should lay down precisely what we hoped to achieve in the debate. It would be more difficult for others to whittle away our position in public.

8. Without giving the exact text I explained the various proposals which were contained in our draft resolution. This seemed generally acceptable to those present. Dixon and Munro urged that a draft resolution along those lines should be submitted as soon as possible. Engen and others were anxious to avoid a split with the USA and they agreed with me that we should wait to see the USA text before taking any final decision about submitting our own draft resolution. We all agreed that if the Assembly should be faced with three draft resolutions there might be a real danger that Krishna Menon would move in with a "compromise" which might upset our efforts to establish a programme for withdrawal and the sub-arrangements to it.

9. I said we hoped to discuss the situation with the USA delegation tomorrow. In the meantime we would put our draft resolution in final shape. It was agreed that the group should meet again early Monday morning at which time they could discuss our text. In response to requests I showed members of the group the text of the statement which I proposed to make when the debate resumes.

L.B. PEARSON

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271. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 676 New York, February 25, 1957

SECRET. IMMEDIATE. CANADIAN EYES ONLY.
Reference: Our tel 670 Feb. 23.†
Repeat for information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Capetown, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin, Belgrade from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

Over the weekend we have discussed our draft resolution with the Secretary General and Bunche. In particular we had a useful discussion on Saturday evening (February 23) after our telegram under reference was despatched. As a result of these discussions we have made a number of changes in the text.

2. The present draft, dated February 25, reads as follows:

The General Assembly,

Recalling its resolutions of November 2, 4, 7 and 24, 1956, and January 19 and February 2/57;

Reaffirming its responsibility and concern for facilitating, after Israel's withdrawal, effective arrangements relating to security in order to create more settled conditions within which the attainment of a lasting political settlement may become possible;

1. Deplores the fact that Israel had not yet complied fully with resolutions of the General Assembly regarding withdrawal behind the armistice demarcation line, and calls upon Israel to complete that withdrawal without further delay, as the essential prerequisite to the implementation of the other measures contained in this resolution;

2. Reaffirms the necessity for a scrupulous observance of the provisions of the 1949 Armistice Agreement, and calls upon the Governments of Egypt and Israel to take without delay all measures necessary to ensure full implementation of that agreement;

3. Requests the Secretary General to make arrangements, after consultation with Israel and Egypt, for the deployment of UNEF on both sides of the armistice demarcation line, in the El Auja zone and in the Gaza Strip, so that the force will be able

(a) to assume the duties of the Truce Supervision Organization under the Armistice Agreement between the two States;

(b) to assist in preventing incursions, raids and retaliatory attacks across the armistice line; and generally in maintaining peaceful conditions along both sides of that line;

4. Requests the Secretary General to make arrangements for the replacement of the present administration of the Gaza Strip, and for the association thereafter of the UN with its administration, having regard to the political, economic and social problems involved, including particularly those concerning refugees;

5. Declares that there should be no interference with innocent passage through the Straits of Tiran;

6. Requests the Secretary General, in cooperation with the Government of Egypt, and upon the withdrawal of Israeli forces, to make such arrangements for the deployment of UNEF as may be necessary to maintain peaceful conditions along the west coast of the Gulf of Aqaba and in the Straits of Tiran;

7. Considers that the provisions of this resolution, if fully implemented, would provide a satisfactory basis for maintaining and developing peaceful conditions in the area concerned, and accordingly calls upon member states to cooperate in whatever steps may be necessary to fulfill these provisions;

8. Requests the Secretary General, within one week from the adoption of this resolution, to report to the General Assembly on the state of compliance with paragraph 1 calling for complete withdrawal by Israel, and to report when appropriate on the implementation of the recommendations set forth in paragraphs 2 to 6 inclusive;

9. Recommends that unless Israel's withdrawal is brought about within the terms of this resolution, the General Assembly should give consideration to measures which might be effective in achieving the desired ends.

3. We are still not circulating this text. The Minister had decided not to do this until we have a clearer indication of USA intentions.

272. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 677 New York, February 25, 1957

SECRET. MOST IMMEDIATE. CANADIAN EYES ONLY.

Repeat for information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin, Belgrade from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

About six o'clock on February 24, Comay came to see me to inform me about talks which he and Mrs. Meir had had with Eban on his return that morning from Israel. Comay emphasized that he was giving the Israeli side of the picture "unofficially and confidentially". He had no info on what actually happened at Washington. As far as he knew the talks might still be in progress.

2. Comay said that Eban's new instructions contained an attempt to reach accommodation with the USA position set forth in the aide mémoire of February 11. Israel was prepared to accept the "order of priority" suggested by the USA. In other words the question of belligerency would be left aside and priority would be given to withdrawal from the two areas which were "non-Israeli territory". For the moment in its negotiations with the USA Israel would concentrate on withdrawal and later talk about the other measures contained in the Secretary-General's report of January 24 (A/3512). The Israelis hoped that in these discussions the situation in the two areas should not be too closely linked because they related to two very different problems.

Gulf of Aqaba

3. As regards the Gulf of Aqaba, initially Israel had wanted a firm guarantee concerning freedom of passage. Israel had hoped that this guarantee would be backed up by the presence of UNEF at Sharm-El-Sheikh until there should be either a permanent settlement or an agreement among the coastal states concerning rights in those waters. Another alternative had been a USA guarantee which would cover Israeli shipping. None of these things had appeared possible and Israel was therefore faced with the decision whether it could accept something which fell short of a firm guarantee.

3. Israel was now prepared to withdraw from Sharm-El-Sheikh if the following "bundle of circumstances" prevailed:

(a) UNEF would follow up the Israeli withdrawal from Sharm-El-Sheikh. Even if UNEF did not remain in the area long, it would be desirable to have it present there during the period immediately after withdrawal. Israel's hope was that UNEF would move into Sharm-El-Sheikh as a result of an Assembly decision so that UNEF could not be evicted by Nasser without further reference to the Assembly. If the question of removing UNEF from Sharm-El-Sheikh were put to the Assembly, the members would be alerted that Nasser was up to something in the Gulf area.

(b) Israel was attracted to the "Pearson proposal for naval patrol" and hoped that this might be established. (I stated flatly that there was no such proposal and that the UNEF Commander had made no request for naval units. Presumably if he believed a naval patrol in the Straits would be desirable, he would ask for one).

(c) The USA assurance concerning USA shipping in the Straits should be implemented. This would establish the practice of free passage. Israel was anxious that this shipping should include a few oil tankers.

(d) It should be understood that Israel could take all means to protect its own shipping in the Gulf and in the Straits. This might involve a naval patrol in the Gulf.

(e) Other nations might associate themselves with a declaration concerning freedom of passage in the Straits and should put this declaration to the test by sending ships to Elath.

The implication seemed to be that Israel would withdraw from Sharm-El-Sheikh if some or all of these circumstances should exist.

Gaza Strip

4. Comay said there had been a marked shift in Israel's policy concerning the Gaza Strip. The Israel armed forces would be withdrawn and Israel would not insist on maintaining its civil administration. Israel would insist, however, that the Egyptians should not be allowed to return to the Gaza Strip. Israel would accept instead a UN administration of the area. The Israeli Government believed that there were three primary requirements in any administration of the Strip: the welfare of the refugees; the economic rehabilitation of the indigenous inhabitants; and the security problem of maintaining order with the area, in particular to prevent raids and incursions in Israel. Israel now envisaged that immediately upon the withdrawal of Israeli armed forces UNEF would move into the Gaza Strip and that discussions would begin at once concerning the replacement of the Israeli civil administration. These discussions would be "without political strings".

5. I agreed at once that Israel's policy had moved a long way in the right direction. I pointed out, however, that it might be politically very difficult to prevent at least a token return to Egyptian administration in the Gaza Strip. The scrupulous observance of the Armistice Agreement implied that the Egyptians should return to Gaza at least on a nominal basis. I enquired whether Israel could accept a nominal return by Egypt but with the UN effectively in control of the area. Comay's reply was negative. I then asked whether Israel could accept such an arrangement on an interim basis, pending an investigation of a long-term solution for the Gaza Strip. I mentioned the ideas contained in our draft resolution. I emphasized that Israel should be prepared to accept at least an interim return to the régime of the Armistice Agreement.

6. Comay said that Ben-Gurion was in difficulty with his Cabinet; that he had already moved a long way from policies which he had enunciated earlier; and that he could not go any farther without the risk of real trouble. Comay regarded the present Israeli position as making large concessions to opinions held in the Assembly and particularly by the USA. If the UN considered that in spite of this major shift in Israel's policy sanctions should be imposed to make Israel comply unconditionally with the earlier resolutions, Israel would face sanctions. (The Israelis know full well that few governments would support sanctions against Israel if the only sticking point should be Israeli insistence that Egypt should not return to the Gaza Strip).

Deployment of UNEF

7. Comay was obviously anxious to keep the conversation on the Gulf of Aqaba and the Gaza Strip. I enquired about Israel's attitude toward the deployment of UNEF on both

sides of the demarcation line. Comay said his government would prefer to concentrate on the problems of withdrawal and "not go farther at this stage". I argued that the Assembly must take some action before it adjourned to make arrangements for the deployment of UNEF. It would give the force greater permanency if it could be deployed on both sides of the demarcation line. Otherwise it would be difficult to resist Egyptian demands for its withdrawal. If Israel's aim was to get an agreed solution to Arab-Israeli differences, Israel should show some willingness to return to the régime of the Armistice Agreement, and in the interests of improving conditions along the demarcation line to allow the deployment of UNEF astride the line. The Assembly might not agree to deployment on one side.

8. Comay agreed that my arguments had force but urged that we should not try to settle all these problems at once. The question of deploying UNEF in Israel was "controversial" for the Israel Government. He reviewed briefly some of the well-known reasons why the force could not be deployed on Israel's side of the line. He suggested that the question should be left for the future. I agreed that details of the question could be decided in the future but it should not now be regarded as a closed question. It seemed to me that the Assembly could now request the Secretary-General to make arrangements for deployment, even though all these arrangements might not be completed for some time to come.

9. I suggested that Israel had gained something out of the Sinai expedition. If Israel completed her withdrawal now the main problem for the Arabs would be to hold Israel behind its present borders and there would be less heard about the partition plan of 1947; less about territorial adjustment and about the status of Jerusalem. Israel was in a better position to consolidate behind the existing demarcation lines. Moreover, there was greater pressure not only in the Assembly but in world public opinion to have something done about the Palestine question. All these were advantageous to Israel and she should not forget them in bargaining over Gaza, UNEF.

10. Comay said that the armed intervention of last autumn had been "worthwhile". A severe blow had been struck against the "Nasser menace" and to some extent this had made it possible to separate Nasser from King Saud and others. Israel recognized that its long-term position was inevitably based on the need for the USA to occupy a strong position in the Middle East. This was the main reason why Ben-Gurion had agreed to be more accommodating about the withdrawal. One of Israel's fears was, however, that in its efforts to establish itself in the Middle East, through such means as the Eisenhower Doctrine, the USA might be required to make concessions to the Arabs at the expense of Israel. In reply to this I said that a mainspring of the Eisenhower Doctrine might now be a vigorous quest for a settlement of Arab-Israeli differences, notwithstanding the many difficulties.

11. Bunche came to see me shortly after Comay's visit. In strict confidence I told Bunche about the position which Eban would adopt in his negotiations with Dulles. Bunche thought that any attempt to prevent the Egyptians from returning to the Gaza Strip might create serious difficulty in the Assembly. He confirmed from UN sources reports about explosions within the Gaza Strip. He could not say, however, whether these were demolitions prior to departure or merely the destruction of old mine fields by the Bedouin.

12. Later Comay informed me that from a phone conversation with Eban he believed that the talks in Washington had resulted in "progress in the South and agreement on objectives in the North". I again urged him to consider the possibility of an interim return by the Egyptians to the Gaza Strip with full association by the UN in its administration. Bunche then called to say that Lodge had informed the Secretary-General that developments in Washington were encouraging, a report which later turned out to be too optimistic. Lodge suggested that Israel's withdrawal could now be worked out without further pressure from

the Assembly. Knowing what Comay had told me, the Secretary-General cross-examined Lodge and was informed that the Israelis had agreed to withdraw and that subject to some clarifications the details could be worked out "on the basis of the Secretary-General's statement of February 22" concerning UN association with the administration of the Gaza Strip. The Secretary-General found this disturbing and I did too, because it looked very much as though the USA was prepared after this brief skirmish with Israel to throw the real problem back into the Secretary-General's lap. We were without details, however, because Lodge's report to the Secretary-General had been based on a phone conversation with Dulles.

13. About nine o'clock I discussed the situation with Engen and suggested that we were perhaps not as near a solution as Lodge's report to the Secretary-General might indicate. Our understanding was that Eban would have a further conversation with the Secretary-General on February 25. It is my belief that if this conversation should reveal that the USA is trying to saddle the Secretary-General with the implementation of its so-called settlement with Israel, the Secretary-General should strongly resist this attempt and should throw the ball back to the USA.

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273. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 696 New York, February 26, 1957

SECRET. IMMEDIATE. CANADIAN EYES ONLY.

Repeat for information Washington, London, Paris and NATO Paris (Immediate).
By Bag Canberra, Wellington, Colombo, Karachi, Capetown, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin, Belgrade from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

After I spoke in the Assembly this morning[192] (February 26) I agreed to see Mrs. Meir and Comay. Mrs. Meir wanted to tell me what "our current troubles are". She said that on Sunday, after Eban had spoken to Dulles, the Israelis believed that matters were developing in the direction of a solution and all that was required were some clarifications from the Secretary General concerning the implementation of various measures in the Gulf of Aqaba areas. Eban's subsequent conversation with the Secretary General had produced a number of new difficulties. Mrs. Meir showed me the Secretary General's memoranda on his conversations with Eban. These texts were transmitted to you earlier today and they have now been circulated as a UN document [A/3563].

2. Mrs. Meir dealt mainly with the situation in the Gaza Strip. She said that there was a misunderstanding about the "conditions" in which Israel would withdraw. Eban had not

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[192] La déclaration de Pearson est reimprimée dans *La crise du Moyen-Orient, janvier-mars 1957*, pp. 25-30.
Pearson's statement is reprinted in *The Crisis in the Middle East, January-March, 1957*, pp. 24-29.

suggested to Dulles nor to the Secretary General that Egypt should consent to abandon any juridical rights which it conceivably had in the Gaza Strip. Israel's position was there should be no *de facto* return by Egypt to the area. This exclusion of Egypt would be without prejudice to any rights it might have in the area. This rights, however, would be kept in abeyance pending a final settlement. Israel had consistently maintained that in the negotiation of a peace settlement both sides could invoke any rights they considered valid. Mrs. Meir recognized Egypt's argument about the rights it had under the Armistice Agreement to administer the Gaza Strip but she failed to understand why Egypt should be permitted to exercise this claim to rights when Egypt also claimed the right to exercise belligerent rights in other areas. She seemed to be saying that because Egypt had exercised belligerent rights elsewhere, Egypt's rights in the Gaza Strip should be considered as forfeited. In any event, she asserted, Israel required concrete assurances that there would be no return to the situation in which the Gaza Strip served as a base for raids and incursions against Israel.

3. I pointed out that, as now envisaged, Egypt's return to the Gaza Strip would be "nominal". I asked whether Israel would agree to the establishment of an administration which would be in fact uncontrolled but in the name of Egypt. Mrs. Meir replied that in my statement I had correctly described the character of the population in Gaza as "bitter". Even if the UN should be effectively associated with the administration, as long as there was a nominal Egyptian return, Egyptian agents would see to it that the bitterness of the populations was turned against Israel. Mrs. Meir emphasized that Israel's aim was to establish peaceful conditions along the Strip; no expansion or colonization was intended.

4. She then spoke about a fact-finding commission, which she urged that the Assembly should establish to investigate existing conditions in the Gaza Strip. She argued that this commission should go at once to the area and find out how it was being administered. She said "Let the Assembly give us a chance to prove what we have been saying about conditions in the Gaza Strip". In response to questioning she said that the commission should go to the Gaza Strip immediately upon the withdrawal of Israel's armed forces but not the civil administration. (Our suggestion for a committee of three was of course that the investigation concerning the future status of the Gaza Strip should take place after the replacement of Israel's administration.) Mrs. Meir said that if the investigators decided that Israel should quit the Gaza Strip, Israel would gladly do so.

5. Mrs. Meir wondered why Fawzi, as the representative of the Egyptian Government, would not state in the Assembly that Egypt had no intention of re-establishing full control in the Gaza Strip. She asked why the Secretary General had considered it necessary on February 22 to say what he understood to be Egyptian policy in that regard. She implied that the Secretary General's statement at that time had misled the Israelis into believing that there would be no *de facto* return by Egypt. I reminded her that the Secretary General's statement could in no way detract from Egypt's rights in Gaza under the Armistice Agreement. Although we might like to exclude the Egyptians completely from the Strip, I did not see how we could establish a situation of security by doing so. As long as the Egyptians could rally support on the ground that they had been denied their rights, they would be able to block any effective UN administration in Gaza.

6. Mrs. Meir insisted that Fawzi should make a public statement about Egyptian intentions in the Gaza area. She referred to the fact that the Secretary General's statement of February 22 had been denounced the next day by the Cairo radio. This had the effect of destroying the "confidence" which the Secretary General had expressed at that time. She said that responsible members of the Assembly should ask Fawzi to declare whether Egypt still claimed belligerent rights. If Fawzi replied affirmatively, Egypt could no longer claim

rights under the Armistice Agreement. Egypt could not expect to enjoy the privileges of that Agreement as well as the rights of belligerency.

7. Mrs. Meir agreed with me that scrupulous observance of the Armistice Agreement did give Egypt rights in the Gaza Strip. She said that Israel had never questioned this but that these rights had become questionable because of Egypt's acts of belligerency. I then reminded her about a case which had come before the League of Nations involving Peru and Colombia and in which the League had established a commission, which in order to secure Peruvian withdrawal had taken over the administration of disputed territory "in the name of Colombia". (Urrutia had mentioned this case to me). I asked whether this technique might not be applied in the Gaza Strip. In effect the UN would exercise the rights of Egypt in Gaza pending a permanent settlement. It was my impression that Mrs. Meir's reply was that Egypt should not be allowed to return to the Strip "with the capacity for exercising control". In other words, if I understood her correctly, she implied that the UN might exercise control in the name of Egypt. This would be a modification of the position, which we understood Eban took with the Secretary General, that Israel could not compromise on any direct or indirect restoration of Egyptian authority in Gaza. This reply by Mrs. Meir was, however, offset to some extent by arguments which Comay had adduced to the effect that it was now disputable whether Egypt had any rights in the Gaza Strip.

8. Mrs. Meir spoke about the non-recognition by Israel of the Arab states. She said that in her statement in the current debate she proposed to emphasize that Israel was most reluctant to recognize the rights of Arab states, particularly under the Armistice Agreements, when those states refused to recognize the very existence of Israel. I encouraged her to hammer away at this point which was so fundamental to all the questions at issue. Mrs. Meir ended by reemphasizing that Israel was not asking Egypt to forego its legal rights, that Israel (group corrupt) to maintain the Armistice Agreement "as it is", and that the Assembly should not decide now that Israel could not continue its administration in Gaza.

[L.B.] PEARSON

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274. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 697 New York, February 26, 1957

SECRET. IMMEDIATE. CANADIAN EYES ONLY.

Repeat for information London, Washington, Paris and NATO Paris (Immediate).
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin, Belgrade from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

This afternoon (February 26) I agreed to discuss the current situation with Lodge. He said that the USA delegation was considering a draft resolution which would contain the "thoughts" in my speech and "something about sanctions". The main recommendation in the resolution would be that unless within seventy-two hours from its adoption the Secretary-General reported that Israel's withdrawal was "being completed", a form of sanctions would be applied. Lodge hoped that the seven co-sponsors of the February 2 resolution would agree to sponsor a new one. He would be glad to add Canada to the list if we should find it possible to co-sponsor it.

2. I said that I would have to study the text but that if we could co-sponsor it, we would. It was my impression that the resolution might go farther on sanctions than we would prefer; this might make it difficult for us to co-sponsor the resolution but we might still be able to support it. I pointed out that our own text had contained a final para which envisaged sanctions in due course. I agreed that there had to be a para of that kind in the current resolution, although it could be dropped if the Israelis should indicate a willingness to withdraw on the basis of the resolution.

3. Lodge had concluded that the Israelis would not withdraw unless they were convinced that a two-thirds majority in the Assembly would support sanctions. I said that the Israel Government probably hoped that as a result of the current debate no resolution would get the required majority. I referred to my conversation today with Mrs. Meir and particularly to the possibility that Israel might modify its stand on Egypt's return to the Gaza Strip. Lodge said that Eban had indicated to Dulles that Israel would be agreeable to a nominal return "on the basis of the Secretary-General's statement of February 22" but that in his conversations with the Secretary-General Eban had raised further difficulties.

4. We agreed that some resolution was necessary and I welcomed the initiative which Lodge was taking. He undertook to show me the text as soon as it was in final form.[193] (We were aware at the time that Lodge had been discussing the text of a draft with the other six co-sponsors. Engen showed it to me later in the afternoon). We expect to receive the USA text tomorrow morning. We have been informed by the USA delegation that further revisions have been received from Washington.

5. In the Assembly debate the representatives of Jordan, Canada, USSR, Syria, Czechoslovakia and Iraq spoke. Zeineddine and Jamali made sharp attacks on the programme which I had suggested. They accused me of siding with Israel and taking too little account of Arab rights. They should have known that many of my suggestions were also distasteful to Israel. It is not necessarily a bad thing that our programme has been criticized from both sides.

6. The most disconcerting and disappointing feature of today's developments is the failure of the USA delegation to show us or even take us into their confidence about their draft. The UK, French, Australian and NZ delegations are even more in the dark, having been told nothing. As Spender put it to me "The Assembly apparently think the Indians, Egyptians etc speak better English". It would be easy for us to become very annoyed about this and to suspect that Lodge is trying to pay us off for not having sponsored his earlier resolution. His tactics are not making it any easier for us to sponsor this one apart from its merits.

[L.B.] PEARSON

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[193] Voir/See United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957, Volume XVII*, Washington D.C.: U.S. Government Printing Office, 1990, pp. 280-282.

275. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 710 New York, February 27, 1957

SECRET. MOST IMMEDIATE. CANADIAN EYES ONLY.

Reference: Our tel 697 Feb 26.

Repeat for information London, Washington, Paris and NATO Paris (Immediate).

By Bag Canberra, Wellington, Colombo, Karachi, Capetown, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin, Belgrade from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

This morning (February 27) I met with Dixon, Spender and Munro to discuss this subject. I told them that the USA delegation had not given us any text of a draft resolution. We had expected to have one last evening but we were informed that developments in Washington had delayed the USA decision about their draft resolution. Munro understood that Dulles and Pineau had discussed the current situation and that they were considering the possibility that Israel might withdraw under cover of a unilateral declaration and that the Israel Government assumed that there would be a UN administration in the Gaza strip. Spender suggested that the Israelis might also include in their declaration a reference to their right to protect themselves against interference with Israeli shipping in the Straits of Tiran. It was further suggested that this declaration by Israel would be reinforced by private assurances from the USA and perhaps other States.

2. The Old Commonwealth representatives deplored the lack of consultation between the USA delegation and "our group". Spender strongly urged that we should ask Lodge to meet with us and to discuss frankly USA intentions. I gave as my impression that the USA delegation was having difficulty in preparing a draft resolution because of conflicting opinions among the delegations which they were consulting here and because of developments in Washington. Dixon agreed that this was probably the case but he feared that if we did not keep in close touch with the USA delegation we might be faced with a draft resolution which would "put us in appalling difficulty". He suggested that in order to protect our position (meaning that of the various Commonwealth Governments) we might be obliged to submit a resolution along the lines of the Canadian text.

3. I pointed out that in Washington USA and French representatives might be able to bring effective pressure to bear on Israel. I was against submitting our own resolution until the USA position was made clearer. It would obviously be undesirable to have two resolutions with the same purpose. Not only would support in the Assembly be divided but the situation would allow Israel to play one faction against the other. I added that I was reluctant to seek a further interview with Lodge, since he had undertaken to put me in the picture as soon as the USA position was clarified. I agreed, however, to participate in any meeting which the UK might arrange with Lodge.

4. This in fact happened about noon. By then Engen had shown me a revised USA text, which at first glance seemed inadequate to meet the current situation. The draft contained a lengthy preamble, in which the main elements of our "programme" were described in

vague language. The operative paragraphs contained a condemnation of Israel and a new call for the completion of its withdrawal. Provision was also made for the implementation of Resolution II of February 2 and for bringing pressure to bear on Israel if it did not comply with this new resolution. The language was not that of the Afro-Asian resolution on sanctions but the draft suggested that pending withdrawal member governments should refuse assistance to Israel and so regulate their relations with that country. What was probably intended was that governments should refuse public assistance to Israel in the hope that private contributors would follow suit.

5. At the meeting with Commonwealth representatives, however, Lodge insisted that he still had no text to discuss with us. In response to questions he described in broad terms the kind of resolution which the USA had in mind. Spender, Munro and Dixon gave their views on the draft resolution they would like to see submitted to the Assembly. These corresponded more or less with our draft, which all of them had seen. They insisted that there should be an emphasis on complete withdrawal by Israel but that it was necessary to spell out in some detail the arrangements which would follow withdrawal and which would serve as assurances to Israel. They agreed that the draft resolution should also include provision for bringing pressure to bear on Israel if it did not respond to the new appeal.

6. Concerning Gaza the Commonwealth representatives told Lodge that they could not go along with Israel's insistence on the exclusion of Egypt from the area. Spender said that Israel was obviously trying not only to improve its security but to gain advantage which would serve it well if and when a peace settlement should be negotiated. It seemed inevitable that Egypt's rights in Gaza under the Armistice Agreement should be recognized at least nominally. However, every effort should be made to see that *de facto* UN control was established along the lines of the Secretary General's statement in the Assembly on February 22. It was too bad that the Egyptian Government could not take a public stand but presumably we must rely on the "confidence" which the Secretary General had expressed that Egypt would agree to an effective UN association with the administration of Gaza.

7. Lodge said that he was "pleasantly surprised" to see how closely Old Commonwealth views corresponded with those of the USA. He insisted that the USA draft resolution would contain all the "ideas" expressed in my statement yesterday. Lodge was encouraged to believe that we would all be able to support the text he had in mind. He referred to the problem of attracting two-thirds support in the Assembly, a problem which made it necessary to "play with words" in preparing a resolution. It was his impression that some of the other Arabs were being more difficult than the Egyptians.

8. So that Lodge would not be too optimistic about Commonwealth support Dixon explained in some detail the kind of resolution which the UK wished to see. He agreed that we were all working toward the same objectives but that the "structure" of the resolution would be very important. In particular it would be necessary to ensure that the arrangements or assurances, intended to encourage Israel's withdrawal, should come into effect automatically after withdrawal. The UK could not support a resolution containing sanctions if there was to be no "balance" as regards the assurances. Dixon referred to public opinion in the UK which was opposed to sanctions. He agreed that the UK would not wish to "cut across the USA effort", especially in view of the broader political issues like Soviet infiltration in the MidEast and the Suez Canal problem, but if the final version of the USA resolution should prove difficult for the UK, it might be necessary to introduce a resolution, like the Canadian one, which the UK considered properly balanced.

9. After Lodge had departed the Commonwealth representatives continued the discussion for a short while. I said that the USA text which we had seen was not sufficient but that

since the situation was changing rapidly we should perhaps not attach too much significance to the current version. There was no use belittling the fact, however, that the drafting of the resolution would be important. This led us into a discussion of our text and particularly about our use of the words "innocent passage". As you know, the UK would prefer "free passage". I must say that I was not persuaded by the arguments Dixon adduced and I was left with the impression that the UK was trying to ensure that our draft resolution would endorse the UK position on the Straits of Tiran, as though the issue was beyond controversy. I gave Dixon no reason to believe that we would change the language we had used. We also discussed the last two paragraphs and agreed that these might have to be revised before the draft resolution was actually submitted.

10. Since there were no speakers either this morning or this afternoon, there was no debate today on the MidEast. The Assembly was marking time until the USA had produced its draft resolution. The drafting of that resolution was being complicated by developments in Washington. (Lodge has spoken about the frequency of his telephone conversations with Dulles). Late this afternoon we learned from Engen that Dulles had telephoned the Secretary General to report on the latest discussions with Eban. Eban had apparently agreed to recommend to the Israel Government that Eban should announce in the Assembly that Israel would withdraw unconditionally but on the "assumption" that the fullest possible use would be made of UN agencies, including UNEF, for the administration of the Gaza Strip and for preventing acts of belligerency in the Straits of Tiran. Engen understood that the Israel Cabinet was actually considering this recommendation and that its reply was expected shortly. Dulles had been fairly optimistic in his report to the Secretary General.

11. I shall be interested to see whether Ben-Gurion will accept this arrangement for withdrawal, an arrangement which is undoubtedly reinforced by private assurances from Dulles (and perhaps Pineau). It may be that the Israelis would consider withdrawal on these terms preferable to withdrawal on the basis of the programme I suggested. We understand that in his discussions with Eban Dulles had shown him the USA draft resolution, which Dulles said implied the Canadian programme and was likely to command two-thirds support in the Assembly. We gained the impression from Mrs. Meir (and Engen shares this view) that the Israelis were somewhat disappointed with the programme which I proposed. They were particularly opposed to my suggestion that UNEF should be stationed on both sides of the demarcation line. With the prospect that the Assembly might endorse a programme of that kind (even if the endorsement should be in the vague language of a USA text), the Israelis might have gone to Washington in search of a more acceptable deal. Even if Ben-Gurion should accept Eban's recommendation, there is a considerable chance that the Arabs will decry the Israelis "assumptions", a development which might upset the whole arrangement. In all these circumstances I believe it is too soon to look forward to a break in the current deadlock.

12. During the day Wadsworth had been suggesting to the press here that there might not be a USA draft resolution, certainly not in the next day or so. In addition, reliable press sources say that Menon has withdrawn from the drafting process. This evening the USA delegation informed us that their current text had been transmitted to Cairo for comment.

L.B. PEARSON

276. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 724 New York, February 28, 1957

SECRET. IMMEDIATE. CANADIAN EYES ONLY.

Reference: Our tel 710 Feb 27.

Repeat for information London, Washington, Paris and NATO Paris (Immediate).

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin, Belgrade from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

This morning (February 28) Kidron (Permanent Representative of Israel) spoke to MacKay about current developments. He gave the "background" of today's press reports about the arrangement for Israel's withdrawal.

2. After Eban had seen the Secretary-General here on February 25 he had returned to Washington to inform Dulles that the Secretary-General had been unable to give the necessary "clarifications", which Israel required before it would agree to withdraw. Dulles and Eban had discussed again the assurances contained in the USA aide mémoire of February 11 and the possibility that other states would give similar assurances. Dulles said he had discussed the matter with Pineau, who had developed some ideas which Dulles thought might be of interest to Eban.

3. Pineau's plan, which apparently Dulles endorsed, was that Israel should announce in the Assembly that it would withdraw completely from both areas. The armed forces would withdraw at once; the civil administration in the Gaza Strip would be withdrawn by stages so that there would be no lapse in authority there. The withdrawal would be on the assumption that UNEF would move into the Sharm-El-Sheikh area on the heels of the withdrawing Israelis and an exclusively UN civil administration would be established in the Gaza Strip in conjunction with its occupation by UNEF. It was Kidron's understanding that no Egyptians, civil or military, should be allowed to return to the Strip. In addition, Israel would declare that it reserved its right of self-defence under Article 51 of the Charter, a right which Israel would be free to exercise if the situations in Gaza and the Gulf of Aqaba did not develop as forecast in the Secretary-General's report of January 24, in various statements in the Assembly and in the USA aide mémoire. Kidron said that it would be a matter of "judgment" by the Israel Government whether these situations were developing unfavourably to Israel.

4. The intention was that the USA, France and presumably other states would welcome the Israeli announcement and endorse it. In reply to our question about what would happen if the "assumptions" were challenged in the Assembly, Kidron said that the expected support for the move would be so strong that any such challenge could be brushed aside. Kidron said that the USA delegation would organize the support for the move. He emphasized throughout that the exact text of the announcement had not been completed; he said that it was being drafted in Washington and implied that Dulles and Eban were co-authors.

5. Kidron's explanation of the "assumption" concerning the future administration of the Gaza Strip differed sharply with our info about what Dulles told the Secretary-General yesterday. We raised the question again with Engen who confirmed that Dulles had said that Israel's complete withdrawal from Gaza would be on the assumption that Egypt would agree to the maximum association of UN with the administration. This would not exclude a nominal return by Egypt although the intention was that the UN would exercise the effective control in the area. This approach is consistent with the Secretary-General's attitude and we earlier understood that Dulles shared the Secretary-General's view about the "validity" of the Armistice Agreement concerning Egypt's rights in the Gaza Strip. We can only assume that Kidron might not be fully informed about the latest developments.

6. Certainly this morning the USA delegation was ill-informed. I spoke to Barco and other USA officials and learned that the USA delegation knew little more that what was in the press about the proceeding in Washington. We were able to tell them about the proposed move in the Assembly because I had spoken to Heeney and because Kidron had voluntarily informed us. Apparently Kidron had told the USA delegation only that Mrs. Meir would be making an important announcement in the Assembly tomorrow. The present plan is that at the opening of the Assembly tomorrow Mrs. Meir will make an important statement concerning withdrawal. She is expected to do this and to be followed by representatives who wish to speak in support of the announced arrangement. The expectation is that the USA, UK, France and other European states will support them. Presumably the USA delegation will organize Latin American support. I shall be most surprised if there is any support from the Afro-Asians, although the Philippines and Thailand might be so persuaded. My expectation would be that the Arabs and their Asian and Soviet Bloc supporters will strongly oppose the manoeuvre. There has been no indication here that the USA had discussed it with the Egyptians. In the Assembly support by France would do much more harm than good.

7. We shall have to know more about the text of the Israeli announcement before deciding what support, if any, we can give it. The whole move seems doubtful to me and could well create a hopeless mess in the Assembly proceedings. Perhaps that would not be a bad result to the Israelis. Because we have so few details and because the USA delegation is without instructions it is difficult to suggest how we might meet this new situation. We can only hope that precise info comes from Washington soon. In this regard Lodge is apparently as worried as any of us.

8. At noon I spoke to the Secretary-General who is baffled and distressed. He believes that any move along the lines suggested will not only provoke a storm in the Assembly but greatly aggravate the whole situation in the Middle East. He said that Dulles sounded optimistic on the phone yesterday. In fact his optimism seemed to be in direct proportion to the pessimism which Dulles' revelation caused the Secretary-General.

9. Since beginning this message Mr. Heeney has phoned today he would be sending us, very confidentially, this afternoon details about Eban's proposed statement.

277. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 737 New York, March 1, 1957

SECRET. IMMEDIATE.
Repeat for information London, Washington, Paris and NATO Paris (Immediate).

ISRAELI WITHDRAWAL

Hammarskjöld, Cordier and Bunche lunched with me again today and we discussed the situation. Hammarskjöld and his aides felt somewhat less pessimistic about the outcome of the Washington, Israel-France-USA initiative than they did earlier today though still doubtful of its success. We agreed that the best chance for such success would be tangible evidence of immediate Israeli withdrawal from Sharm-El-Sheikh and Gaza. This would create an improved atmosphere and perhaps permit some of the "assumptions" and "expectations" of the Israeli declaration to be realized. I suggested that for this purpose a telegram be sent to General Burns immediately Eban had finished speaking instructing him to see the Israeli military commander at once in order to make arrangements for complete and quick withdrawal of Israeli forces from the two areas and for a withdrawal of Israeli forces from the two areas [SIC] and for a UNEF takeover. This was agreed to by the Secretary General. Such a move would at least show whether the Israeli Government were going to withdraw at once without further formalities or were going to negotiate their withdrawal in the light of the debate here on their "assumptions".

2. Hammarskjöld's great worry is that immediately on Israeli withdrawal a few Egyptians at least, perhaps civilian administrators, would move into Gaza. What would he do then? would UNEF be expected to stop them?

3. I emphasized another difficulty. Suppose UNEF-contributing countries like India, Yugoslavia or Indonesia refused to allow their forces to assist in the realization of the Israeli "assumptions" and in the absence of any explicit Assembly decision to that effect, it is still too soon of course to predict what the result will be. The situation seems somewhat easier but I still think that we are heading for trouble, especially in regard to the future of UNEF.

L.B. PEARSON

278. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 746 New York, March 2, 1957

CONFIDENTIAL. IMMEDIATE.

Reference: Our tel 724 of Feb 28.

Repeat for Information London, Washington, Paris and NATO Paris (Immediate).

By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin, Belgrade from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

March 1 began with a state of confusion here. We and a few others had received advance texts of the proposed Israeli statement but the USA delegation had given us little indication about the attitude they would adopt in the afternoon's debate, after the Israeli announcement had been made. The Secretary-General and his immediate advisers were depressed by the turn of events. In particular he was in doubt whether he had sufficient authority, under the earlier Assembly resolutions to implement the "assumptions" and "expectations" which the Israeli statement would contain. We expected a violent Arab reaction to the manoeuvre and we knew that this could lead to the breakup of UNEF, because India, Indonesia and Yugoslavia, for example, might refuse to allow their contingents to be used for the "occupation" of the Gaza Strip and Sharm-El-Sheikh. We were also disturbed by the prospect that Israel might use the fact that its assumptions and expectations were not materializing, as a pretext for resuming hostilities. There were some suggestions here that the French might consider themselves free to go to the assistance of Israel in such circumstances.

2. These gloomy prospects were discussed in an Old Commonwealth meeting in the morning. Dixon and the Minister had received the text of the proposed statement by Mrs. Meir. Dixon said that he had received instructions to support the move, although the UK had reservations about it. The UK support was based on the "broader political advantages" (meaning in particular the opportunity for the Western Three to act together again) and on the opportunity not only to avoid the issue of sanctions but to make effective in the area some of the arrangements which we had been considering in recent weeks (the deployment of UNEF at Sharm-El-Sheikh and UN control of the administration in the Gaza Strip). Dixon's impression was that the Secretary-General was not as pessimistic as he had been earlier about the possibility of making these arrangements. Dixon agreed, however, that the attitude of India, Indonesia and Yugoslavia would be important to the success of the move.

3. The Commonwealth group discussed what they should do about the debate in the afternoon. It was difficult to reach any firm conclusions because we knew so little about USA intentions. Dixon said that the UK would probably not intervene in today's debate and the Minister took the same attitude. Spender and Munro, who seemed very sceptical about the proposed move, wondered whether an adjournment after the Israeli announcement might not be the best procedure. A related question was whether Israel intended to withdraw whether or not a debate took place. The meeting agreed that as matters stood the

Commonwealth group would prefer an adjournment but that the views of the USA should be ascertained before any final decision in that regard. It was also agreed that a larger meeting including the Scandinavians and West Europeans should be organized.

4. This meeting took place later in the morning and was attended by the representatives of the Old Commonwealth, Ireland, Sweden, Norway, Denmark, France, Belgium, Italy, Portugal and The Netherlands. Lodge was unable to be present. Picot led the discussion and explained the content and purpose of the Israeli announcement. He said that Israel wanted as much backing as possible, particularly from maritime powers; that no further decision by the Assembly would be required; that the necessary arrangements would be made in meetings between the Commander of UNEF and the Chief of Staff of the Israel defence forces. Noble expressed UK support for this proposed manoeuvre; he recognized, however, that there were practical difficulties. Spender and Munro pressed for adjournment, which might be moved after statements by Israel and the USA.

5. The Minister said he hoped that the move would work; that he had some doubts about its practicability; but that he would like to know more about it before deciding what attitude to adopt. He suggested that the proposed meeting of military leaders should take place as soon as possible after the Israeli announcement; this would be a firm indication that Israel intended to withdraw at once and in good faith. The Minister hoped that the governments participating in UNEF would not raise difficulties. He assumed that the necessary arrangements could be made under the Assembly Resolution II of February 2. Vitetti said he had received instructions to support the right of free and innocent passage in the Straits of Tiran and the Gulf of Aqaba. Schurmann of the Netherlands enquired whether Egypt had been consulted; the impression was that it had not. There was little enthusiasm and considerable scepticism among the West European officials, but particularly among the Scandinavians.

6. This meeting had followed the plenary meeting of the Assembly yesterday morning. Menon had been the principal speaker in that debate and had seemed to serve notice that India would not support any move which was inconsistent with the Assembly's demand for complete and unconditional withdrawal. He restated India's position as regards its participation in UNEF and as regards the presence and functioning of the force on Egyptian territory. He took issue with what he describes as the Canadian view that "the present crisis should be utilized to solve what is called the Middle Eastern problem". This was Menon's last intervention in the current session, since he departed for India in the afternoon.

7. In the afternoon debate Mrs. Meir made the expected announcement[194] and statements followed by the representatives of the USA, Spain, Argentina, Philippines, France, Costa Rica, El Salvador and Panama. This list of speakers had been "organized" by the USA delegation. Their method was to have some of the junior members of their delegation talk to various other delegations. We understand that Japan and Thailand declined to speak. We were approached too but the USA delegation readily agreed that our participation in UNEF made it desirable for us not to intervene too soon in the debate, at least until some Arab reaction was known. Before the debate Eban and Picot urged the Minister to speak.

8. You will have no doubt seen the text of the statements by Mrs. Meir and by Lodge. We hope to analyze them in a separate communication. They are by no means matching statements and the USA text is much less of an endorsement of the Israeli position than the

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[194] Un long extrait du texte final de l'annonce israélienne faite par M^{me} Meir est reproduit dans *La crise du Moyen-Orient, janvier-mars 1957*, pp. 30-33.
A lengthy extract from the final text of the Israeli announcement by Meir is reprinted in *The Crisis in the Middle East, January-March, 1957*, pp. 29-32.

subsequent statement by France. In particular Lodge emphasized his understanding that the Israeli withdrawal would be immediate and not "unconditional". It was the view of the USA that "from a juridical standpoint the future of the Gaza Strip must, as the Secretary-General said, be worked out within the framework of the Armistice Agreement". Concerning the situation along the Gulf of Aqaba Lodge repeated what he had said on January 28 and February 2 about the deployment of UNEF. Concerning any recurrence of hostilities "or any violation by either party of its international obligations, including those of the Armistice Agreement", Lodge said this would create "a situation for UN consideration", a statement which was no doubt meant to counteract Israel's assertion of its right of self-defence.

9. The other statements of welcome to the Israeli announcement require no comment. A brief intervention by Lall, after considerable Afro-Asian consultation on the floor of the Assembly, was significant. He emphasized that there had not been "any serious challenge to the Assembly's explicit view that the withdrawal of the invaders had to be and must be unconditional". The statements made in the debate yesterday would require serious study and the Indian delegation reserved its right to "express its views on them in the coming meeting of the Assembly on Monday and in the light of the implementation, the unconditional implementation which we hope to see by then of Resolution I of February 2/57". Instead of asking for an adjournment until Monday, Lall simply assumed that there would be no debate in the intervening weekend. A few minutes later Fawzi expressed his understanding that the Assembly was "unanimous in expecting full and honest implementation of its resolutions calling for immediate and unconditional withdrawal by Israel". This position remained "intact and entire" and nothing said by "anyone here or elsewhere could shake this fact or detract from its reality and validity nor could it affect the fullness and the lawfulness of Egypt's rights and those of the Arab people of the Gaza Strip".

10. There followed a brief statement by the Secretary-General, noting the plans of Israel for full and prompt withdrawal and its proposal that a meeting be held immediately between the military leaders. The Secretary-General then stated that he had instructed the Commander of UNEF "as a matter of the utmost urgency to arrange for a meeting with the Israel Commander-in-Chief tomorrow, Saturday, if at all possible, or if not, as soon as possible thereafter". Thereupon the President announced that the discussion would be resumed on Monday. After the Assembly meeting the Old Commonwealth and West European representatives met with Lodge. He expressed satisfaction with the way matters had developed in the Assembly. He believed that Israel should begin its withdrawal at once; that the necessary meetings between military leaders should not be delayed. The USA would urge Israel to take those steps and Lodge hoped that other governments would put similar pressure on Israel. If the "programme" was to develop it was essential that Israel should demonstrate its good faith and that other states should endorse the Israeli announcement. This endorsement, of course, would be much more effective if the Israelis had already begun to withdraw. Lodge, who had just spoken to Dulles, seemed relieved and confident.

11. Some of the other representatives present continued to express doubt. They would like to know more about Arab reaction. Boland pointed out that psychology was more important than legalism in this manoeuvre and that it was essential that Israel should begin its withdrawal over the weekend. He wondered whether it would not be possible to clarify some of the subsequent arrangements. When Lodge said it might be "dangerous" to have too much clarification, Boland replied that it was perhaps "even more dangerous to have an obscure situation which it is dangerous to clarify".

12. The Minister said that if the Israelis made moves over the weekend to begin their withdrawal, it would be easier to maintain a helpful momentum in the Assembly debate. Other speakers could then readily welcome the Israeli announcement. If no move were made before the resumption of the debate, the situation might be very difficult because the Israeli statement would be denounced as a sham promise of unconditional withdrawal and as a mere negotiating position. It was desirable therefore to get the process of withdrawal started, and to create the impression that UNEF was moving into the occupied areas. In this atmosphere the whole arrangement might have a better chance of success. It would be of equal importance to dissuade governments participating in UNEF not to disrupt the process of takeover by raising objections about the use of their national contingents.

13. Sandler of Sweden took a similar position which we found encouraging because earlier in the day he had expressed doubt whether Sweden would permit its contingent to be used as an "occupying force" without a further decision from the Assembly. He had grave doubts about the Dulles-Eban manoeuvre.

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279. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 766 New York, March 5, 1957

SECRET. IMMEDIATE.
Reference: Our tel 757 of Mar 4.†
Repeat for Information Washington, London, Paris and NATO Paris (Immediate).
By Bag Canberra, Wellington, Colombo, Karachi, Capetown, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin, Belgrade from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

As we reported by phone yesterday morning (March 4) we were informed by the Israel delegation that the order for the complete withdrawal from Sharm-El-Sheikh and the Gaza Strip had been issued by the Israel Government and that Mrs. Meir would be making a statement to this effect in the General Assembly when the debate was resumed in the afternoon. In view of the controversy and doubt which had appeared in the press here, we were somewhat puzzled by what appeared to be a sudden and decisive change in policy on the part of the Israel Government. You will recall that it was suggested that Lodge's statement in the Assembly on March 1 had fallen short of Israeli expectations and had not been in accordance with the understanding reached in Washington between Dulles and Eban. The [Israeli?] delegation on March 2 publicly took the position that Lodge's statement was inconsistent with the discussions which had been held in Washington.

2. Before the Minister left Ottawa on March 3 Comay phoned to say that Eban would be seeking from Dulles one final clarification which was required because of Lodge's remark that "from a juridical standpoint the future of the Gaza Strip must be worked out within the framework of the Armistice Agreement". This suggested that Egypt might be permitted to return to a position of control in the Gaza Strip and the Israel Government required assurance that this would not happen. Eban was to suggest to Dulles that if the Egyptians should

regain control, this would amount to "a return to the conditions of deterioration which existed previously" (quotation from Mrs. Meir's statement in the Assembly on March 1), in which case "Israel would reserve its freedom to act to defend its rights". This could mean that in those circumstances the Israelis would march back into the Gaza Strip. The Minister wondered, therefore, whether the Israeli decision to withdraw was based on an assurance from Dulles to Eban that Egypt would not regain control of the Gaza Strip or that, if this should happen, Israel would be allowed freedom of action in the area.

3. On March 4 the Minister lunched with the Secretary General who said that he had received from Nasser an encouraging telegram inviting the Secretary General to come to Cairo to work out the details of the withdrawal and to discuss other matters, including the Canal question. The Secretary General was worried because of doubt in his mind whether he could implement the Dulles-Eban understanding without further action by the Assembly. The Secretary General said that he would have to report to the Assembly in some way about compliance with the various resolutions on withdrawal. It might be desirable too to report on the related arrangements which would follow immediately upon withdrawal. As a matter of tactics the Minister and the Secretary General agreed that the Minister should, in his statement in the Assembly in the afternoon, raise the question of a further report to which the Secretary General would reply.

4. Before the debate was resumed the Minister had a brief conversation with Eban at his request. Eban reaffirmed that the Israel Government had decided to withdraw completely and that Mrs. Meir would make a brief statement to this effect. In reply to a direct question by the Minister, Eban said that he had received no further assurance from Dulles concerning the return of Egypt to the Gaza Strip. He implied that, although the decision to withdraw had created difficulty for Ben-Gurion, the Israel Government had decided to do so with confidence that Israel's friends, particularly the USA, would see to it that there would be no return to the unsatisfactory conditions which existed before October 29. Eban hoped that there would be in the afternoon debate a series of speeches supporting Israel's position but that after this debate the Assembly should forego further discussion of the subject and let matters work themselves out. Eban argued that there was no need for further Assembly action. Comay spoke to the Minister in the same sense later in the day. It seemed clear that the Israelis wished to minimize the role of the Assembly in any implementation of the Dulles-Eban understanding.

5. You will have seen an account of the debate in the press. The representatives of Israel, UK, Ceylon, Italy, Netherlands, Colombia, NZ, Iraq, Australia, Japan, Belgium, Canada, USSR, Peru, Norway, India, Sweden, Portugal, Denmark, Brazil and Egypt intervened. The relevant document A/PV.667 of March 4 has been mailed to you. Following are the highlights of the debate:

(a) Mrs. Meir stated that Burns and Dayan had met "to discuss measures necessary to carry out the withdrawal from both areas in accordance with the statement made by me on Friday last" and that "they have come to full agreement as to the technical details of the withdrawal and takeover."

(b) Jamali made a relatively mild statement denying that any conditions could be attached to the withdrawal and in particular that the Gaza Strip could be internationalized.

(c) The Minister expressed the Canadian view that the ideas which had been suggested in previous resolutions and reports should immediately on withdrawal be converted into concrete arrangements and "that the Secretary General should take steps to that end with our full support and if he later requires it with our endorsement". The Minister also suggested that the Secretary General could "report to us on the completion of the withdrawal of Israel forces and on related matters".[195] Subsequently the Secretary General noted these suggestions and said it was his intention "to inform the General Assembly about relevant developments and of course especially of the withdrawal".

(d) Sobolev made a half-hearted attack, directed principally against the USA, on the "circumvention of the UN". As in earlier statements he attempted to discredit UNEF.

(e) The maritime states, particularly the UK, Netherlands and Norway, argued that the Straits of Tiran constituted an international waterway and that none of the bordering states should undertake measures which would hamper freedom of innocent passage. This caused Lall to restate and amplify arguments which Menon had raised on March 1 concerning the Gulf of Aqaba and the Straits. He also restated India's attitude as a participant in UNEF.

(f) Fawzi insisted that the withdrawal should be unconditional and urged that UNEF should take all the necessary measures to "foreclose a recurrence in the Gaza and Aqaba areas" of Israeli "atrocities and destruction". His intervention was calm and encouraging.

[R.A.] MACKAY

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280. DEA/50134-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 768 New York, March 5, 1957

SECRET. MOST IMMEDIATE. CANADIAN EYES ONLY.

Repeat for Information Washington, London, Paris and NATO Paris (Immediate).
By Bag Canberra, Wellington, Colombo, Karachi, Capetown, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin, Belgrade from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

Before the Minister left New York this morning (March 5) the Secretary General asked to see him. Cordier and I were present and we were later joined by Engen. The Secretary General had explained on the phone to the Minister that there was some doubt in his mind as to how he should proceed to implement the Dulles-Eban understanding. It was our first impression that the Secretary General considered that he did not have sufficient authority under existing Assembly resolutions to make some of the arrangements which were to follow immediately upon withdrawal, in particular arrangements for associating the UN with the administration of the Gaza Strip.

2. It turned out, however, that the Secretary General's main concern was about the tactics he should follow in negotiating with Egypt for the implementation of the various arrangements. The Secretary General expects to discuss these matters with Nasser next week. In

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[195] Un extrait de la déclaration de Pearson se trouve dans *La crise du Moyen-Orient, janvier-mars 1957*, pp. 34-35.
An extract from Pearson's statement may be found in *The Crisis in the Middle East, January-March, 1957*, pp. 33-34.

the Secretary General's view, which the Minister shared, Nasser would almost certainly raise two points.

(a) He would insist that Egypt could not forego its rights in the Gaza Strip under the Armistice Agreement. If Egypt should in any way abandon these rights it would be giving away for nothing in return a bargaining advantage in the subsequent negotiation of a peace settlement. Egypt probably expects that in the eventual settlement the Gaza Strip would go to Israel, but obviously Egypt would receive something in return. If Egypt should now surrender its juridical rights in the area, the Israelis would deny any subsequent claim which Egypt might advance. It is the Secretary General's impression, however, that Egypt will be glad to have the UN assume the main responsibility, particularly the financial burden, of administering the Gaza Strip.

(b) Nasser will press for deployment of UNEF on both sides of the demarcation line. He has already expressed strong views on this subject. Moreover, it would be in the interests of UNEF and the UN, and indeed of stability in the area, for UNEF to be deployed astride the demarcation line. The Israelis, of course, have no wish to discuss this possibility because they want to keep UNEF out of Israeli territory and because they do not care whether UNEF continues in existence.

3. The Secretary General argued that it was essential to make clear the UN position on these two matters before he began his discussions in Cairo. Otherwise world public opinion, and particular some sections of the press, would hold that the UN had "again bowed to the wishes of Nasser". The Secretary General said that last November he had been obliged to begin his discussions with Nasser without clarifying the UN position in advance but that the situation today, being neither as urgent nor as dangerous, made it necessary and desirable to avoid as far as possible unfounded charges about the UN attitude.

4. The UN position could be established in one or two ways.

(a) The Assembly could adopt a resolution along the lines of the Canadian draft, suitably modified to meet existing circumstances. The Canadian text was perfectly clear on both the points of controversy. It called for the deployment of UNEF on both sides of the demarcation line, and it left no doubt that Egypt's rights under the Armistice Agreement would remain intact. In the present atmosphere, however, it might be most difficult to have such a resolution adopted by the Assembly.

(b) The Secretary General could produce [a] report on withdrawal and on related matters. With his usual subtlety he could make abundantly clear the view that UNEF should be deployed on both sides of the line and that Egypt's rights in the Gaza Strip would be unimpaired by any arrangements which might be made for the UN to share in the administration of the Gaza Strip. It would probably be desirable for the Assembly to take note of this report with approval. If Israel's withdrawal was substantially complete by the time the report was introduced, the possibility was increased that the Assembly would approve the whole report with satisfaction. It would be necessary, however, to lay the ground work for this Assembly action through careful consultation with the most interested delegations.

5. The Secretary General and the Minister agreed that (b) was the preferable course. The Secretary General said that, in drafting his report, he would make use of the Canadian draft resolution and the Minister's statement of February 26. The Secretary General proposed to proceed as follows: after seeing us he would have separate discussions with Engen, Urrutia of Colombia, Lodge, Dixon, Lall, Fawzi, Eban. He would draft his report tomorrow and try to have it endorsed by the Advisory Committee on March 7. On March 8, probably in the afternoon, he would submit the report to the General Assembly for approval. He will travel to Cairo on the weekend. The Secretary General urged strongly, and the Minister agreed,

that the report, before being submitted to the Assembly, should have the approval of the Advisory Committee.

6. We were somewhat surprised to learn that Israel's withdrawal, including civil administration, from the Gaza Strip would be completed by 9:00 am (New York Time) on March 7 and from Sharm-El-Sheikh by 9:00 am on March 8. The Secretary General read this info to us from a report by Burns on his meeting with Dayan. The Secretary General pointed out that this sudden withdrawal would create complex problems for the UN but he was confident that UNEF, in the first instance and later with UN civilians, could assume effective control of the Gaza Strip. In a very short time there would be about three thousand UN personnel in the area. (At this point the Secretary General remarked on the need for additional armoured cars and the Minister assured him that the Canadian reconnaissance squadron would soon be on the scene.) The Secretary General expected that in the not too distant future the Egyptians would try to move a token administrative element into the Gaza Strip. We ascertained that UNEF would be in position in the area before the withdrawal of Israeli troops was completed. The Indian battalion will be among the UNEF troops in Gaza and a company of Finns will move into Sharm-El-Sheikh.

7. The Minister and the Secretary General speculated on why the Israelis had made their decision to withdraw. Obviously it created difficulty for Ben Gurion. The Minister suggested, and the Secretary General agreed, that the following considerations had a great deal to do with that decision:

(a) In the process of moving from "guarantees demanded" through "assurances requested" to "assumptions and expectations", the Israelis had attracted substantial support in the Assembly for the view that there should be no return to the deplorable conditions which existed before October 29. Most important Israel had obtained assurances from the USA, whose continued support was essential to the existence of Israel. The attention which was now focussed on Israel's difficulties with its Arab neighbours would serve to ensure that in future violence and threats against Israel would win it swift and sympathetic support.

(b) Israel had gained significant support from the maritime powers for its contention that there should be no interference with peaceful existence in the Gulf of Aqaba and the Straits of Tiran.

(c) Israel had reasonable assurance the UN would exercise the effective control in the Gaza Strip and that the threat of raids and incursions from this area would be greatly decreased.

(d) Israel had managed to avoid, for the time being, the deployment of UNEF on Israel's territory. The Israelis had always resisted strongly efforts to increase UN influence in the area. The Dulles-Eban understanding had made it unnecessary for the Assembly to make precise its recommendation for the deployment of UNEF along the demarcation line.

In addition, the Secretary General could not shake off the suspicion that Israel had received some secret assurance from the USA, notwithstanding Eban's point-blank denial.

8. The Secretary General said that the attitude of the USA would be most important to the success of the tactics which he had suggested for the next few days. He suggested that Lodge might not be too difficult to persuade but that the attitude in Washington would be to let well enough alone. The Secretary General hoped that the absence of Dulles would not complicate matters.

9. Concerning his trip to Cairo, the Secretary General proposed that he should take Engen with him for added support. Engen was *persona grata* with both Israel and Egypt and could act as a sort of agent of the Advisory Committee. The Minister agreed that it

would be useful for Engen to accompany the Secretary General and suggested that there might be some pressure to have an Indian included as well. The Secretary General and Cordier believed that they could resist such pressure.

[R.A.] MACKAY

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281. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], March 7, 1957

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Health and Welfare (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Norther Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

. . .

UNITED NATIONS; MIDDLE EAST SITUATION
(PREVIOUS REFERENCE FEB. 19)

44. *The Secretary of State for External Affairs* reported on recent developments in the United Nations in regard to the Middle East situation. The Israeli withdrawal from the Gaza Strip and the Gulf of Aqaba area had been brought about by heavy diplomatic pressure, but without a discussion on a sanctions resolution in the General Assembly. Israel had changed its attitude quite suddenly without obtaining the assurances it had so persistently sought on Gaza and the Gulf of Aqaba because it felt it had achieved certain objectives.

Firstly, the U.S. was now morally committed to freedom of navigation in the Gulf of Aqaba, which was important in relation to a large oil pipe line which would probably be built across Israel to the Mediterranean. Secondly, the Israeli authorities thought that once the U.N. occupied the Gaza Strip, Egypt would never return. Finally, withdrawal at this stage, without further assembly action, meant that U.N.E.F. would have no status on the Israeli side of the border with Egypt. When the Israeli forces retired from the Gaza Strip they also took with them all the Israeli civilian officials, who had moved in last November, and thus dismantled the civil administration. This would now become the responsibility of the U.N.E.F.

While the withdrawal was undoubtedly satisfactory, the manner in which it had occurred left certain difficulties to be faced. The U.S. was most anxious to have no further discussion of the dispute in the U.N. at this stage and had told the Secretary-General he should administer Gaza and deploy the U.N.E.F. along the Israel-Egyptian boundaries. Mr. Hammarskjöld felt he could not do this without the endorsation of the U.N., which could be sought either by a resolution or by the assembly noting a report he proposed to make which would include references to these two important matters. He would probably adopt the second alternative. If the report were approved, the U.N. would then accept responsibility for administering the Gaza Strip. He had informed the Israelis they would lose a good deal of sympathy among their friends if they did not allow the U.N.E.F. to take up positions on the Israeli side of the border.

The other important question to be settled was the Suez Canal. Egypt had refused to allow the complete clearance of the canal until Israeli forces were off Egyptian territory. Now it could be assumed that the one remaining scuttled boat would be removed and the canal opened. However, no arrangements had been made for its operation. The U.K., France, the U.S., and Norway, who were the main users, had decided amongst themselves to pay Egypt a share of dues for operating expenses of the canal, and had referred the question of settlement to the U.N. Secretary-General. However, if Egypt refused to discuss the problem in the U.N., the only way it could be settled was through negotiations between Egypt and the other nations involved. If Egypt barred free passage then the question of sanctions against her might be considered.

Nasser had agreed to allow the U.N.E.F. on Egyptian soil and, so long as the functions for which the force had been established remained undischarged, the only way, technically, he could have the force removed was through action by the General Assembly. In fact, Nasser could force U.N.E.F. not to operate by withdrawing the rights and immunities he had accorded to its members and by refusing to co-operate any longer. Nasser was steadily losing support in Egypt and it was unfortunate that people here and elsewhere attacked him because this only strengthened an otherwise tenuous position.

45. *The Cabinet* noted the report of the Secretary of State for External Affairs on recent developments in the United Nations and elsewhere regarding the situation in the Middle East.

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282. DEA/50134-40

Extrait d'un télégramme du représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Extract from Telegram from Permanent Representative to United Nations to Secretary of State for External Affairs

TELEGRAM 812 New York, March 11, 1957

CONFIDENTIAL. IMPORTANT.

Reference: Our tel 790 Mar 7.†

Repeat for Information London, Washington, Paris and NATO Paris.

By Bag Canberra, Wellington, Colombo, Karachi, Capetown, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio, Dublin, Belgrade from London and Delhi, Tokyo from Ottawa.

ISRAELI WITHDRAWAL

This telegram is intended to round off our reporting on the Assembly's consideration of this subject.

2. After the Advisory Committee's meeting on March 7 there were conflicting opinions here whether there should be any statements in support of the Secretary General's report (A/3568 transmitted to you in our telegram 791 March 8†). The USA delegation was strongly in favour of making a statement and they hoped that others, including the Canadian delegation, would follow suit. The USA intention was to give support to the Secretary General and to impress upon the Assembly that, the withdrawal having been completed, the Assembly should turn its attention to the implementation of the second resolution of February 2. The USA delegation wished to offset Mrs. Meir's assertion on March 4 that Dayan had met with Burns "to discuss measures necessary to carry out the withdrawal from both areas in accordance with the statement made by me on Friday last". USA officials were particularly anxious that the Assembly should not lose sight of the provisions of the second resolution of February 2 calling for the scrupulous maintenance of the Armistice Agreement and for the placing of UNEF "on the Egyptian-Israel armistice demarcation line" (which had previously been interpreted as meaning on both sides of the line).

3. The UK delegation promoted the idea that statements were unnecessary and might upset the delicately-balanced arrangements for the withdrawal. They argued that the Secretary General was anxious to avoid a debate. They tried to persuade Urrutia and others to head off prospective speakers. Late on March 7 they expressed the hope to us that the USA could be dissuaded from speaking, although we had a clear indication that Lodge would make a statement.

4. On that evening we were in close touch with Cordier, who confirmed that the Secretary General would welcome statements in support of his report. Cordier emphasized that the report would be non controversial and the Secretary General hoped that the statements would be of the same kind.

5. On the morning of March 8 the speculation continued whether there should be a debate in the afternoon. The Secretariat had arranged for the Assembly agenda to include the admission of Ghana, the MidEast item, and the procedural arrangements for adjourning the session, to be considered in that order. The Secretary General's report had been circulated in the morning. By noon, however, it had become evident that there would be statements in support of the Secretary General's report. During the morning the Minister had instructed us to make a brief statement.[196] (The advance text was transmitted to you in our telegram 800 March 8†).

6. The debate opened with a short statement from the Secretary General emphasizing that since UNRWA would be assuming extended responsibilities in the Gaza Strip its financial problems, already grave and urgent, would be increased. He urged that outstanding pledges be paid immediately and that pledges and payments be increased to the full extent of capacity of member governments. Lodge followed with a statement which supported the Secretary General's report and which called attention to the provisions of the second resolution of February 2. He made a pointed reference to the deployment of UNEF on the armistice line. Statements followed by the representatives of Burma, Iraq, Iceland, Nepal, Sudan, Denmark, Indonesia, Canada, Czechoslovakia, Jordan, Yugoslavia, Israel and Egypt.

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[196] Voir *La crise du Moyen-Orient, janvier-mars 1957*, pp. 38-39.
See *The Crisis in the Middle East, January-March, 1957*, pp. 36-38.

7. For the most part the statements were non controversial. . .

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283. DEA/50366-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Égypte

Secretary of State for External Affairs
to Ambassador in Egypt

TELEGRAM ME-96 Ottawa, March 12, 1957

SECRET. MOST IMMEDIATE.
Reference: Your tel 204 Mar 12.†
Repeat Permis New York and Washington (Immediate).
Repeat for information London, Paris and NATO Paris (Immediate).

EGYPTIAN ATTITUDE ON CANADIAN REINFORCEMENTS FOR UNEF

1. A major parliamentary storm has blown up here over press reports that Egypt is withholding permission for the landing of Canadian reinforcements for UNEF. On the basis of your telegram 204 the Prime Minister stated in the House this afternoon that the government's latest info was that a technical misunderstanding had arisen but that it had been cleared up. He added that in view of conflicting reports which were still being investigated, the government did not repeat not wish to comment in any detail today. It has been arranged that I shall make a full statement on this and other pressing Middle East problems tomorrow March 13 in the House.

2. As our info from the delegation in New York indicates that there is substance in these reports, I would be glad if you would take the earliest opportunity to see Fawzi who, I understand, will be arriving in Cairo tomorrow. If Fawzi is not repeat not available you might try Aly Sabry. You should express frankly to him the depth of our concern about the Egyptian attitude toward Canadian reinforcements. You might remind him that from the outset of the Suez Canal dispute and throughout the crisis which followed the Israeli invasion, the Canadian Government has gone out of its way, both in public statements and in diplomatic exchange, to express its recognition of Egypt's sovereign rights. (You could draw on excerpts given in our telegram ME87).[197] We freely recognized that the presence and functioning of UNEF in Egypt was feasible only in the context of Egypt's agreement to accept limitations on its sovereignty, as it did in its acceptance of the General Assembly resolution of November 5. On the other hand, there is a clear distinction between the consent which was required before the force as a whole was permitted to enter Egypt, and the quite separate position regarding individual national components of the force or reinforcements for national components. It has been the Canadian Government's understanding that Egypt accepted this distinction and that whatever may have been the practical difficulties

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[197] Le télégramme ME87 reproduit les échanges qui ont eu lieu les 6 et 7 mars 1957 entre Saint-Laurent, Pearson et des membres de l'opposition au sujet de la marche à suivre si l'Égypte demandait le retrait de la FUNU. Voir Canada, Chambre des Communes, *Débats*, 1957, volume II, pp. 2010 à 2011 et 2042 à 2044.
Telegram ME87 reproduces an exchange between St. Laurent, Pearson and the Opposition on March 6 and 7, 1957 over the procedure to be followed if Egypt asks for the UNEF's withdrawal. See Canada, House of Commons, *Debates*, 1957, Volume II, pp. 1928-1929 and 1958-1960.

involved in the case of the Queen's Own Rifles, the Egyptian Government had never claimed *in principle* the right to determine the composition of the force or the make-up of national contingents. Certainly the Canadian Government has never accepted and could not repeat not now yield to, any contention on the part of Egypt that its prior approval was required to the admission of Canadian reinforcements. (We would maintain the same position, of course, in respect of Israel or any other host country on whose territory UNEF might come to be stationed.) The UN alone must be responsible for the composition of UNEF; there could be no repeat no restriction on the right of the Secretary-General to exercise the ultimate responsibility of the UN in this regard.

3. So far as the Canadian reconnaissance squadron is concerned, you should emphasize to Fawzi that these troops are being added to UNEF in response to the specific request of General Burns, conveyed to us through the UN. In asking for them, General Burns expressed the view that these troops would be more than ever necessary in the new tasks assumed by UNEF following the Israeli withdrawal. In other words, these troops are intended to meet essential requirements for the effective operation of the force. From the point of view of the Canadian Government it has been a matter of considerable practical difficulty to provide these additional elements. We decided to comply with the UN's request because we were convinced that the addition of these troops might facilitate UNEF's performance of its stabilizing role in the Middle East. You should say quite frankly that the current reported Egyptian objections to the entry of Canadian reinforcements, if these objections determined the Secretary-General's attitude, would create a situation in which it might be impossible for the Canadian Government to leave the remainder of its troops in the force. You should leave Fawzi in no repeat no doubt of the grave responsibility which the Egyptian Government would be taking upon itself if by maintaining its objections in this matter a situation were created which would force us to act in the above manner.

4. While you should not repeat not delay in carrying out these instructions if Bunche is not repeat not available for consultation I should prefer it if you could speak to him before you see Fawzi or Aly Sabry. I understand that Bunche, in addition to his instructions to see the Egyptian Government about the particular case of Canadian reinforcements, is also engaged in the important task of trying to persuade the Egyptians not repeat not to precipitate an explosion by establishing their administrative governor and his staff too quickly in the Gaza Strip. I gather that the hope is that Bunche will be successful in persuading Fawzi, and more important Nasser himself, that while Egypt's legal rights in the strip are not repeat not in any way questioned, the situation in Gaza requires the greatest caution in implementing the Egyptian Government's decision, and that for this reason the actual introduction of the Egyptian administration should be slowed down. I would not repeat not, of course, wish to prejudice these important negotiations, but I hope the Egyptian leaders can be brought to understand that unless they can refrain from trying to interfere with these Canadian reinforcements, which will be the last contingent from Canada, we may be faced with the necessity of withdrawing our whole contribution, something which we would greatly regret for obvious reasons. The effect which such a step would have on the future of UNEF and on General Burns' own position is, I think, not difficult to imagine. Surely the Egyptians are conscious of the risk which would confront them if UNEF were pulled out, leaving them face to face with the Israelis in Gaza.

5. I leave it to you how best to put these points to Fawzi, and if the situation develops in such a way that you do not repeat not think it necessary to intervene, please seek further instructions. I greatly regret that a particular Canadian problem has flared up at this time,

but I know you will realize that its solution or otherwise may well have a bearing on the role that UNEF can continue to play in the future.

6. Since this telegram was drafted, the Opposition have asked for the postponement of my statement until Friday, so that their leader [J.G. Diefenbaker] can be there to participate in the debate.

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284. DEA/50134-40

L'ambassadeur en Égypte
au secrétaire d'État aux Affaires extérieures

Ambassador in Egypt
to Secretary of State for External Affairs

TELEGRAM 210 Cairo, March 13, 1957

SECRET. MOST IMMEDIATE. CANADIAN EYES ONLY.

Repeat Candel New York (Most Immediate) from Ottawa; Washington and London (Immediate) from Ottawa.

REINFORCEMENTS FOR CANADIAN CONTINGENT TO UNEF

I have just seen Bunche who had just come from long interview with Nasser. Bunche tackled him at once on question of Canadian reinforcements and asked why were Egyptian Government making difficulties. In brief Nasser said he had noted remarks made by our Prime Minister in the House which he interpreted as implying that in our government's view they were the sole judge of how long the Canadian (or UNEF) contingent should remain in Egypt. He went on to say to Bunche that he was aware that questions directed to Prime Minister were designed to embarrass him for obvious political reasons. Nevertheless some of the answers given were politically embarrassing to him in Egypt. UNEF had become a political issue in Canada and would likewise be a political issue in Egypt, and accordingly his government would take the view that there is no need for further reinforcements for Canadian contingent.

2. Bunche pointed out to him that

(a) entry to Egypt of Canadian armoured reconnaissance unit had been agreed to by Egyptian Government some time ago and Colonel Gohar had confirmed it to him (Bunche) yesterday. Bunche told me that Nasser seemed to be unaware that agreement had been given;

(b) contemplated action by Egypt would embarrass our Prime Minister who, as Head of our Government, was loyally discharging Canada's responsibility to UN which in turn was assisting Egypt. Hence contemplated action seemed against Egypt's best interests.

(c) even if President's purpose was to embarrass our Prime Minister the real damage would be done to Secretary-General and UN.

3. Nasser agreed with all arguments and said that he had been faced with strong feeling within his own Cabinet on this subject and had agreed to go along with their view. He now assured Bunche that he would do everything he could to persuade his colleagues, in the light of Bunche's arguments, to agree to onward movement of Canadian troops presently in Naples. He only asked Bunche to give him about two days grace and promised him that matters would then be cleared up. Nasser went on to pay tribute to quality and behaviour of Canadian contingent in Egypt, saying that they were in every way model soldiers. (I wish

the President would some time make this statement to his own press; my comment E.H.N.).

4. Bunche was most anxious that any statement that I might make to the press should not attribute following remarks to him, nor should any reference be made to his talk with Nasser. He agreed upon following statement I might make in answer to press queries which I have been staving off for the last two days: Begins:

I am aware of rumours of difficulties concerning arrival in Egypt of remainder of Canadian contingent for UNEF. Responsible UN officials have assured me that there is no basis for concern on this point. Ends.

[E.H.] NORMAN

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285. DEA/50366-40

L'ambassadeur en Égypte
au secrétaire d'État aux Affaires extérieures

Ambassador in Egypt
to Secretary of State for External Affairs

TELEGRAM 218 Cairo, March 15, 1957

SECRET. MOST IMMEDIATE. CANADIAN EYES ONLY.

Reference: My tel 217 Mar 14.†
Repeat Permis New York (Immediate) from Ottawa; Washington and London (Important) from Ottawa.

CONVERSATION WITH NASSER

I saw Nasser last night as briefly reported in my telegram 216 March 14; I made it clear that I was not visiting him on your instructions but that I had very much on my mind recently the increasingly hostile tone of Egyptian press and what appeared to me serious misunderstanding even on government level of important statements made by the Prime Minister and yourself. I fear I went on at greater length than I had intended in setting forth Canadian policy and traditional outlook on foreign affairs especially towards countries who had recently gained their independence. I reviewed our UN role in the MidEast, pointing out how fantastic were press charges which attributed "imperialist" motives to Canada, and finally stressed the damage that can be done by unscrupulous press attacks on the Canadian contingent in UNEF. I only touched marginally on question of Canadian reinforcements as I did not wish to directly introduce the subject myself.

2. After listening intently to me and asking for clarification on one or two points, he frankly admitted that he had been adopting an increasingly critical attitude to Canada. He had great hopes from our position last November and succeeding weeks, but said he had noticed an increasingly pro-Israel tone in your most recent interventions in UN. He had been deeply disturbed by remarks in the House by the Prime Minister on March 6 referring to the use of "force" in connection with Canal clearance and the presence of UN in Gaza and Aqaba. Egypt, he said, had lived in an atmosphere of threats for the last few months and people here were becoming more and more sensitive to threats. They were still living under threats from England, France and Israel (whom he linked with these two powers); Australia had openly showed its hostile intentions, the USA was showing a cold attitude and its press was generally pro-Israel, and now Canada, he said, had appeared to join the

chorus against Egypt. Naturally this would have repercussions in their view of the Canadian contingent in UNEF. Then working late at night in his office on the 10th he had heard that Canadian troops had fired on demonstrators in Gaza that afternoon. He asked for a thorough investigation from competent quarters, but he had no convincing account of events until Dr. Bunche informed him (March 12) that it was Danish troops who had been involved. All these events, however incorrect some of them might prove now, had contributed to his growing fear of Canadian intentions; that Canada in some vague and ill-defined but alarming fashion had now joined forces with those powers which were most hostile to Egypt.

3. Since I had gone over your intervention and four-point proposal in the UN in great detail with Aly Sabry, I told the President that I did not wish to take up his time again on this subject unless he had specific points to raise. I summarized our position in trying to find a fair compromise between two embattled and embittered parties and, as is so often the role of the peacemaker, being criticized unfairly by both. I concentrated especially on his distorted interpretation of the Prime Minister's remarks of March 6. (We had sent copies to competent officers in the Foreign Ministry of the expanded form of the remarks to give their full context which would include their clarification. Apparently these had not filtered through to the President. I had also spoken to a few leading Egyptian journalists on the matter but without any effect as far as press comment was concerned.) I had with me text of exchanges in the House between the Prime Minister and members of Opposition on March 6 and 7 relating to Egypt, which I left with him, first reading out to him Prime Minister's relevant remarks on "use of force", clearance of Suez, etc placing them in their proper perspective and knowing how entirely distorted had been their interpretation. He admitted that there had been misunderstanding on his part, but then more in sorrow than in anger complained of hostile tone of press abroad including Canada. Everything he did was reported as "provocative", "abrupt", etc. When he sent an administrative governor back to Gaza, which he was fully entitled to do according to the (group corrupt) Egypt, and which he would have done in any case regardless of the incident of (group corrupt), the Western press accused him of "aggressive" designs. The same papers had not used such epithets in referring to Israel's attack of October 29. Ben Gurion had recently made an open threat of force of relation to Gaza. Yet, to his knowledge, no important Western paper had rebuked him for it. What would their comments have been if he had threatened force against Israel on the occasion of their making some arrangement behind their own borders? Could any fair-minded person be asked to believe that the press of the West was impartial in viewing the Israeli-Arab problem?

4. I interposed a question on his intentions in Gaza, expressing the hope that Fedayeen raids would not be renewed as it hardly seemed in the long run to serve Egyptian defence interest. He went over some familiar ground insisting that authorized raids were purely retaliatory and only commenced in early '55 when a new Ben Gurion allegedly aggressive policy became apparent. He said he had no intention of organizing future Fedayeen raids but the occasional marauder that broke through both lines would be always used by Israel as an excuse for attacks upon Arab neighbours. (It appears to be true that for at least three months before the attack of October 29 there had been no Fedayeen raids from Egypt. The only incident was one in which an Israeli truck was blown up by a land mine in a demilitarized zone, therefore an area unauthorized to the Israeli military.)

5. He then brought up the question of reinforcements for Canadian troops and fully admitted that he had doubts even fears of Canadian intentions following Prime Minister's references to "use of force". I gather that Egyptian Embassy in Ottawa does not keep him too well informed by telegram of important debates. Replying to my query he said that all

important references in our debates he had studied through the various news agencies reports.

6. À propos of his complaints concerning the foreign press I spoke with some sympathy saying that we had likewise been the target of very malicious press campaign. I showed him copy I had with me of Egyptian press summary prepared in the office, giving recent (March 12) press comments on Canada and Canadian contingent. I pointed out the editorial in *Al Gomkouriya*, which made wild attacks on alleged Canadian "impertylist" designs, constructed on the hypothesis that our troops had taken over Gaza presumably as a first step towards "internationalizing" it, and had been responsible for the shooting. I said that while I was aware that he could not be held responsible for everything that appeared in the press, nevertheless he must agree that such wild and irresponsible remarks, which it was my duty to report to Ottawa, could not be expected to help in a sympathetic attitude on the part of Canadians towards Egypt. I said what was even more important, our troops here must be increasingly annoyed by this campaign and hence it could have an unfavourable effect on their morale. He agreed whole-heartedly with these last remarks.

7. I then thought it proper to ask whether he would not agree some time to giving a statement which would help to correct some of these impressions and whether he would confirm publicly the excellent performance of our troops here. I mentioned Brayley, the Canadian press representative here, who has been vainly trying through the press office to get an interview with him, saying that such an interview might help in clearing away some of the obstacles in recent misunderstandings in Egyptian-Canadian relations. He agreed to such an interview within the next few days. He added that he had some knowledge of the Canadian record in foreign affairs and he had believed that our policy was devoted to peace and friendly relations with all who wished to reciprocate. He was glad that some false impressions had been removed and hoped that friendly relations would exist between us as between two free and equal states with no designs on each other.

8. He mentioned again the reinforcements from Canada saying that he had assured Dr. Bunche that the matter would be cleared up and told me to pass this on to you.

9. Before leaving he expressed the wish that I might perhaps see him more often if I so wished, particularly if it would help in clearing up possible understanding.[SIC]

10. Finally I congratulated him on (group corrupt) recent announcement that there would be general elections (date and details to be announced later). While we would not interfere in the internal affairs of any country it could not but be a source of satisfaction since we were a democratic people, to see Egypt taking a step in this direction since it would certainly help in closer understanding between us both.

[E.H.] NORMAN

286. DEA/50366-40

L'ambassadeur en Égypte
au secrétaire d'État aux Affaires extérieures

Ambassador in Egypt
to Secretary of State for External Affairs

TELEGRAM 221 Cairo, March 15, 1957

SECRET. MOST IMMEDIATE.

Repeat Permis New York (Immediate) from Ottawa; Washington and London (Important) from Ottawa.

CONVERSATION WITH NASSER: SUPPLEMENT

I omitted to mention two points in my telegram 218 March 15 about my interview with the President. I left Nasser with no illusion about the attitude of the Canadian Parliament and people about any apparent discrimination or slight towards the Canadian troops in UNEF. Since assurances had already been received from Bunche I did not follow precisely the instructions in your telegram ME96 March 12 which were designed to ensure that no further difficulties would be raised concerning the entry of Canadian troops but I did state that if this kind of problem occurred again it was my opinion that the whole question of Canadian participation in UNEF would have to be reconsidered in Canada. Nasser made no comment.

2. The President did state that in his view the press campaign which had been launched against UNEF following on the Gaza incidents had started to get out of hand. He said that he himself had directed Hatem to issue a press statement which would cast UNEF in a favourable light. This release had appeared earlier in the day and had stated that "full cooperation characterized the relations between the Egyptian authorities and UNEF". It also said that the people of Gaza considered UNEF as friendly and that they were cooperating with the Force.

[E.H.] NORMAN

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287. L.B.P./Vol. 85

Extrait de La crise du Moyen-Orient : carnet des événements

Extract from Middle East Crisis: Diary of Developments

SECRET. CANADIAN EYES ONLY. [No date]

March 16

The Minister arrived shortly before noon and went immediately to UN Headquarters to attend a meeting of the Advisory Committee on UNEF. This meeting was the most important in a series which preceded the Secretary-General's departure for Cairo on March 19. The Committee discussed in particular the role of UNEF in the Gaza Strip, both along the demarcation line and as regards internal security within the Strip. The Minister gave a full explanation of Canada's position which was supported more or less by the majority of the Advisory Committee. The Indian position, as explained by Mr. Lall, was to a considerable extent opposing. During the meeting the Secretary-General received a message from Bunche informing him that the difficulty concerning Canadian reinforcements had been removed and that orders had been issued for their onward journey from Naples to Egypt. The advance copy of the Verbatim Record of this meeting was taken to Ottawa by the Minister.

Immediately after the meeting the Minister had lunch with the Secretary-General and Cordier. The Secretary-General discussed in greater detail the problems he expected to face in Cairo. He would be discussing not only the Gaza situation but also interim arrangements for the Canal and an overall Suez settlement. He assured the Minister that there was every likelihood that arrangements could be made between the UN and Egypt for repaying the interim advances, which Canada and other countries had made to assist in financing Canal-clearing operations of the UN. The Secretary-General also referred to interviews which he had during the previous week with representatives of France, UK and US. During these interviews the Secretary-General had tried to ascertain the reaction of those countries to the stand which Israel had taken publicly concerning the return of the Egyptian civil administration to the Gaza Strip. The Secretary-General had addressed seven questions to those representatives. The UK and USA had each given an answer which contained not direct replies to the questions but a more general statement of policy. The UK reply was very close to the position which the Minister had expressed in the Advisory Committee on the subject of internal security in the Gaza Strip (Ourtel 864 of Mar. 18†).

As soon as the Minister arrived at UN Headquarters, just before noon, Kidron enquired whether the Minister would see Eban in the afternoon and Mrs. Meir on the following morning (March 17). The Minister agreed to see Eban and this interview took place at five o'clock. Kidron was also present. The following points were made:

(a) Eban referred to the "demonstrative assertion" by Egypt of its rights in the Gaza Strip. The picture was one of "complete take-over" with UNEF being pushed into the background. This was contrary to the "assumptions and expectations" with which Israel had withdrawn. Eban had seen Herter on March 14 who expressed the hope that it was still possible that Egypt would accept a "formal position" in the Strip by maintaining its administrative governor and a small staff. Eban suggested that this was wishful thinking.

(b) The people of Israel were in an excitable mood and the atmosphere in the area was tense. The developments in Gaza were the opposite of what Israel had hoped would happen and the Israelis believed they had considerable support among Assembly members for their position. Dulles had cautioned Mrs. Meir that a token return by Egypt must be expected but what was happening was a triumphant return of Nasser to Gaza as a victor. In addition, there were renewed threats to blockade the Straits of Tiran and the Suez Canal. The Egyptians were evading the issue of belligency. Eban characterized all this as "an important and sombre development".

(c) The UN had played its role badly. The Secretary-General had spoken about the confidence which he had that Egypt would cooperate as regards the UN assistance in the administration of the Gaza Strip. However, Bunche had begun his talks in Cairo with "an attitude of subservience". The Egyptians were having their own way as regards the deployment and functions of UNEF. UNEF could only be effective if participating governments and others showed determination in the face of Egyptian arrogance.

(d) The Minister pointed out that for Egypt symbolism in the Gaza Strip was not unimportant. There was no denying Egypt's legitimate rights under the Armistice Agreement. It did appear that Egypt's return to the Strip was precipitate but there were undoubtedly strong political pressures on Nasser. The Minister reminded Eban that Bunche had denied the tendentious press interpretation of Bunche's remarks in Cairo. The Minister described in some detail the morning's discussion in the Advisory Committee and particularly the attitude which Canada and others had taken as regards UNEF's role in the Gaza Strip. The Minister pointed out that much of the difficulty resulted from the fact that the Assembly had not prescribed what the role of the UN and UNEF should be. There was a tendency in some quarters to let the UN be the scapegoat.

(e) The Minister urged strongly that Israel should exercise restraint and moderation and should not react too strongly merely because Egypt had established a pro-forma control in the Gaza Strip. The Secretary-General, supported by a number of influential governments, would work to keep effective control, especially in the field of internal security, in the hands of the UN. If Egypt would agree to let this happen, the situation along the Gaza Strip could be stabilized. If Egypt should raise difficulties, however, there might be serious trouble. Conceivably the question might be referred back to the Assembly. However, Israel should not put too much blame on the UN for the way in which the situation had developed. The understanding which Eban and Dulles had reached in Washington was a step taken outside the UN. It was now up to the Israelis to seek clarification and satisfaction in Washington. Eban agreed and said that this was what Mrs. Meir intended to do in her talk with Dulles on March 17.

(f) Eban said that the USA, including President Eisenhower, was more optimistic than the Secretary-General. The Minister suggested that the USA should put pressure on Egypt to cooperate with the Secretary-General. Eban then spoke about the problems of Suez and Aqaba. These, he said, should not be isolated from the Gaza situation. Israel insisted that there could be no assertion or exercise of belligerent rights in these waters. The Israel Government hoped after the withdrawal that the "present vigilance of the Assembly" would be used "to get that basic idea endorsed". The Minister pointed out that the Assembly was not unanimous on the question of belligerency. This resulted to some extent from the fact that Israel had taken armed action last autumn. It would be important in any future Assembly consideration of the problems of the area that Egypt and not Israel should be on the defensive. In this regard there would have to be "evidence or action of a belligerent nature by Egypt". Israel should bear this in mind when considering its reaction to developments in the Gaza Strip.

After this conversation with Eban the Minister telephoned Mr. Heeney and asked him to try to get a message to Mr. Dulles, before he saw Mrs. Meir on Sunday, concerning the crucial importance of UNEF's role as regards internal security in the Gaza Strip and to urge that the US exercise effective influence over Nasser on this matter. Later Mr. Heeney reported that he was unable to see Herter but he had given the message to Elbrick (Memorandum for the Under-Secretary from the Minister dated New York March 17†).

In the early evening the Minister met with Engen and Gunning of Norway. They reviewed developments during the day and the Minister reported on his conversation with Eban. Engen was pessimistic about the prospects for the Secretary-General's visit to Cairo. After considering the matter carefully, the Secretary-General and Engen had agreed that Engen should not go to Cairo. Apparently the Indians had reacted adversely to the Secretary-General's suggestion that Engen should accompany him; Menon had insisted on being present in that case; the Secretary-General had decided that in these circumstances he had better go alone to Cairo.

March 17

At 11:30 on March 17 the Minister saw Mrs. Meir at the Plaza Hotel. Eban and Comay were present. The discussion ranged over the same subject matter which the Minister had discussed the day before with Eban. Mrs. Meir's presentation of the Israeli case was forceful and at times bitter. She was most critical about the way in which the UN had "surrendered unconditionally" to Nasser. She also expressed resentment about suggestions by USA representatives that Israel should permit UNEF to be deployed on both sides of the demarcation line. There had been suggestions that US aid to Israel would be withheld unless this happened. Mrs. Meir said this was incongruous when UNEF was in such a precarious position in the Gaza Strip. The Minister urged that the Israel Government should not have a closed mind about the possibility of deploying the Force on the Israeli side of the line. This would give UNEF greater permanence and a more truly international character. Mrs. Meir acknowledged this but insisted that the question should not be raised yet (Ourtel 866 of Mar. 18†).

At one o'clock the Minister departed for Ottawa. At the Minister's request, about five o'clock Murray telephoned a report to Mr. Heeney about the Minister's conversation with Mrs. Meir. Mr. Heeney said that he would pass this information to USA officials so that Mr. Dulles would have it before his interview with Mrs. Meir.

In the evening Cordier informed Murray that the additional Canadian personnel for UNEF would begin moving from Naples to Egypt on March 18. This information was telephoned to Ottawa and confirmed in Ourtel 865 of Mar. 18.†[198]

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288. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Inde

Secretary of State for External Affairs
to High Commissioner in India

TELEGRAM ME-102 Ottawa, March 19, 1957

SECRET. IMMEDIATE.

Repeat Washington, Permis New York, London, Paris and NATO Paris (Immediate).
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Hague, Bonn, Rome, Madrid, Copenhagen, Brussels, Lisbon, Djakarta, Stockholm, Rio and Dublin (Important).

THE FUTURE OF UNEF

1. The Egyptian decision to re-establish an administration in the Gaza Strip has forced us to consider urgently whether a satisfactory balance can be worked out between the responsibility of the United Nations and of Egypt in the administration of the Strip. Developments over the past few days have caused us serious concern and I think the time has come for you to have a frank talk with Pillai or someone similarly placed, since the Indian position is not only different from our own but has, I think, very dangerous implications for the future of the Emergency Force and for the whole U.N. effort in the Middle East.

2. The Advisory Committee on UNEF has become the focal point of discussions in the United Nations regarding developments in Gaza. At the meeting which I attended in New York on March 16, it became clear that the critical question in the Gaza situation is the control of internal security in the Strip. So long as UNEF had the degree of control required to carry out its operations and responsibilities, a deterioration of the situation might be prevented and the presence of an Egyptian governor and administration of other

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[198] G. Murray a rédigé ce document.
This document was drafted by G. Murray.

matters would not cause difficulty. If, however, the United Nations were prevented from exercising effective control of internal security, i.e. if it were restricted to operating along the demarcation line without freedom of movement and the right of search in the Strip itself, it could not effectively discharge its duty of preventing raids. The Israelis would then have reasonable grounds for alleging that they had withdrawn from Gaza "under false pretences" and, if they get no satisfaction in their talks with the Americans, they might take steps to restore the position. We would certainly be in trouble then.

3. The issue of internal security is likely to arise in an acute form during the next few days. At the meeting on March 16 the Secretary-General reported that Burns and Bunche were of the opinion that UNEF troops were spread too thin along the armistice line, and that they proposed to remedy this as soon as possible. The Secretary-General pointed out that in order to liberate UNEF personnel for this purpose, it would probably become necessary for UNEF to recruit some local help. He was quite firm that insofar as any such local employees were to be engaged in internal security functions, it was essential that they should be under UNEF and not Egyptian control. In general, he acknowledged — and I emphasized to him in private — that if UNEF was to be effective as a border police force it must also have effective control of internal security in the Strip. I hope that Hammarskjöld sticks to this position in his talks later this week with Nasser. I sent him a personal message† this morning with the idea of stiffening his resistance to any arrangement which would inhibit UNEF in Gaza.

4. The general feeling in the Advisory Committee was strongly in favour of the Secretary-General's and our own interpretation. Lall, however, was not inclined to accept a role for UNEF in internal security, and insisted that popular feeling would be against it. He envisaged UNEF serving only along the demarcation line and did not seem to appreciate the impossible position in which the Force would be placed by such an arrangement. I heard yesterday from New York that in a further meeting of the Advisory Committee yesterday morning, Lall read a prepared statement into the record reiterating the line he had taken on Saturday to the effect that UNEF's role should be restricted to patrol functions along the armistice line. This Indian position worries me because I am afraid it will increase the likelihood that Nasser will insist on control of internal security and take measures to turn the local population against UNEF and UNRWA if he does not get it, a state of affairs which would be disastrous for UNEF and might well encourage the Israelis to take some drastic action.

5. I should be grateful if you would use this telegram as the basis for a talk with Pillai. The point I would like to get across to the Indians is that any arrangement whereby the force was prevented or in any way limited in its efforts to check the planning and development of raids and incursions from the Strip would be intolerable, as would a state of affairs in which UNEF personnel came under any form of Egyptian control. UNEF must not be allowed to become a screen along the armistice line behind which raids can be mounted. You should tell Pillai that unless we can reach a satisfactory arrangement with the Egyptians on this problem, it cannot be assumed that the Canadian contingent will remain, much as we would deplore having to withdraw it, something we would only do as a last resort. Pillai will realize that if the Egyptians forced us to withdraw our contingent, they would be causing the collapse of the Force and making General Burns' own position difficult if not impossible, as well as making it a relatively simple matter for Israel to mount a fresh attack against Egypt.

6. I understand that Krishna Menon is in Cairo this week at Nasser's request. I hope very much — but I must say I have little confidence — that Menon will take a sensible line on UNEF.

7. If Pillai should raise the question of Israel's attitude toward UNEF's presence in Israel, you should say that we are doing our best to persuade the Israelis that it would be easier for us to help them if they would agree publicly in principle to the stationing of UNEF on Israeli territory. I have also urged Mrs. Meir, whom I saw on March 17 in New York, that the Israelis should not take a position regarding the deterioration of the position in Gaza until the point about U.N. control of internal security is cleared up.

8. We have made these points to the State Department in Washington, and I hope that they will do what they can with the Egyptians before Hammarskjöld arrives in Cairo later this week. The advice Nasser receives from the Indians, however, will undoubtedly be influential, so that anything you can do to induce them to take a reasonable line (and a line which would be in Egypt's interests) will be of value.

9. *Cairo*. Unconfirmed and probably inaccurate press reports here this morning state that the United Nations has agreed to move all of its troops out of Gaza to the demarcation line. I hope this does not mean that Bunche and Burns have already given way on the internal security issue. It seems to me that if the Egyptian Government has in fact, as Nasser indicated to Bunche, adopted a policy of no raids, it should be possible to work out an agreement for cooperation between UNEF and the Egyptian authorities on the maintenance of internal security. This telegram will serve as background in any talks you may be having on this subject.

[L.B.] PEARSON

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289. DEA/50366-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Inde

Secretary of State for External Affairs
to High Commissioner in India

TELEGRAM ME-104 Ottawa, March 21, 1957

SECRET. MOST IMMEDIATE.

Reference: Your tel 129 of Mar 21.†

Repeat for Information Washington, Permis New York, Paris, NATO Paris, London and Cairo (Important).

By Bag Canberra, Wellington, Colombo, Karachi, Tel Aviv, Capetown, Beirut, Athens, Ankara, Moscow, Oslo, Hague, Bonn, Rome, Madrid, Copenhagen, Brussels, Lisbon, Djakarta, Stockholm, Rio, and Dublin.

FUTURE OF UNEF

Our latest information indicates that position regarding internal security in Gaza has been satisfactorily held pending start of Hammarskjöld's talks in Cairo. I still think there would be advantage in letting Indians know our position on role of UNEF along lines of our ME-102. It may be as well, however, not to make too much at this stage of references to possible withdrawal of Canadian contingent as we would not like Indians to think that we were pessimistic about outcome of Hammarskjöld's negotiations. Main point is that UNEF must be given sufficient control of internal security in the Strip to enable it to carry out effectively its responsibilities along the demarcation line. You could say that unless this was assured we think it would be the end of UNEF. Indians will doubtless realize consequences for Egypt if UNEF obliged to withdraw.

[L.B.] PEARSON

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290. DEA/50134-40

Note du secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Secretary of State for External Affairs to Prime Minister

SECRET [Ottawa], March 29, 1957

RECORD OF A CONVERSATION WITH THE SECRETARY GENERAL OF THE UNITED NATIONS

I had lunch with Mr. Hammarskjöld yesterday before the meeting of the Committee of Seven. (Mr. Engen and Mr. Cordier were also present).

The Secretary-General had returned from Cairo at 6:00 a.m. that morning, had been in his office since 8:00, but looked remarkably fresh and gave no indication of the stresses and strains of his visit to Cairo.

He was reasonably satisfied with the visit, though Nasser, whom he had found calm and relaxed, had been very tough in the discussions. Hammarskjöld had been, I gather, equally tough, and, as a result, had pushed Nasser from several positions, especially in regard to arrangements in the Gaza Strip. He indicated that Ali Sabry, with whom he had also discussed matters, had now acquired almost as much power as Nasser himself, and he felt that on the whole he would be a more reasonable man to deal with. Nasser, he thought, was becoming more and more the captive of his past policies, and of the group of Egyptian officers around him. He did not give the impression of having full and unrestricted control of things.

So far as Gaza is concerned, the Secretary-General was pleased indeed at what he accomplished; and he had every right to be so. He emphasized that the requirements for control of internal security which had been laid down by Burns in a memorandum, a copy of which he gave to me very confidentially, had been accepted by Nasser, though only after a long and hard discussion. He felt that if these terms were satisfactory to Burns as the Commanding General, they ought to be satisfactory to us. We could hardly be expected to go further than General Burns himself. I agreed. We also agreed, however, that much would depend on how the arrangements were carried out. Hammarskjöld was optimistic that the Egyptians would sincerely co-operate because he said they were disturbed at the possibility of the break-up of UNEF and the necessity of facing the Israeli army without a United Nations line between them. In this regard, Hammarskjöld said he had been helped in his discussions by my statement in Parliament[199] here last Friday about the withdrawal of the Canadian contingent unless satisfactory conditions were established.

There is one difficulty of procedure, and Hammarskjöld particularly wished to talk to us about this. The memorandum drawn up by Burns and agreed to by the Egyptians is a secret one and if it were made public, Nasser claims he would be in great trouble with his own public opinion. Hammarskjöld, therefore, cannot circulate it to the Committee of Seven because of the danger of a leak. He thought, however, that it would be possible to outline its provisions and he hoped that we would express satisfaction and agreement immediately after he had spoken, and that there would be no necessity for tabling the document. We agreed to do this.

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[199] Voir Canada, Chambre des Communes, *Débats*, 1957, volume III, pp. 2701-2703.
See Canada, House of Commons, *Debates*, 1957, Volume III, pp. 2589-2591.

He emphasized that the arrangements in Gaza, except in one respect, were not dependent on Israeli acceptance of the UNEF on their side of the demarcation line. Nevertheless, Nasser insisted that the UNEF could not be deployed along that line on the Egyptian side only. This is a matter which Hammarskjöld now has to take up with the Israeli Government and he will be greatly strengthened in his talk by the Egyptian attitude over other matters.

Nasser also indicated, for instance, that there would be no interference with the UNEF at Sharm-al-Sheikh and that the Egyptians did not intend to move troops there or, indeed, into the Gaza Strip. He also said that the Egyptians did not intend to interfere with the merchant shipping through the Straits of Tiran, though they certainly would not permit Israeli warships to go through unchallenged.

On Suez questions, however, little progress had been made. Nasser was adamant in regard to the control of operation and payment of tolls, and the memorandum† on this matter which the Egyptian Government had given to one or two governments (a copy of which we have) was as far as they were disposed to go. The only encouraging development was Egyptian acceptance of a reference of the whole matter to the International Court. Hammarskjöld indicated that the Egyptian position had been stiffened in this matter as a result of Krishna Menon's visit, which had proved to be a most unhelpful one from the Secretary-General's point of view. He said that he had come across traces of that visit and none of them had been good. This is in contrast, of course, to the report that Krishna Menon himself has been spreading about his own visit.

There is one matter in which the Secretary-General has had real difficulty with General Burns: the insistence of the latter that UNEF must have the right to fire in self-defence not only on infiltrators but on bodies of troops moving against U.N. positions. Hammarskjöld, quite rightly in my view, could not agree to this and the matter is still under discussion. General Burns' requirements in this regard are laid down in the attached very secret memorandum.

L.B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Note

Memorandum

SECRET

MEMORANDUM CONCERNING THE FUNCTIONS, RIGHTS AND RESPONSIBILITIES OF THE UNEF FOLLOWING THE WITHDRAWAL OF ISRAELI FORCES BEHIND THE ARMISTICE DEMARCATION LINE

The memorandum concerns certain points as to the functions, rights and responsibilities of the United Nations Emergency Force in the situation following the withdrawal of the Israeli forces behind the Armistice Demarcation Line, and pending the effecting of compliance by both parties with the principal provisions of the Armistice Agreement as indicated in Section III of the Secretary-General's report of 24 January 1957.

1. Egypt will make it known effectively to the refugees and residents of the Strip that it is Egyptian policy to prevent infiltration across the Demarcation Line.

2. The Egyptian regulations against infiltration, which include penalties, will be again put in force. If UNEF is to be effective in its function it must as a matter of right have the duty of assisting in the enforcement of these regulations. This role of UNEF will be made clearly known to the population of the Gaza Strip by the appropriate authorities.

3. A unit of the Palestinian Police will be designated specifically for duty in the prevention of infiltration, and will co-operate closely with UNEF in this function. The officer or official in responsible charge of this unit will have standing instructions from the Egyptian authorities that he shall take immediate action on requests by UNEF dealing with actual or apprehended infiltration. There will be a free exchange of information concerning actual or potential infiltrators between this policy unit and UNEF.

4. UNEF will have the right to take infiltrators into custody in a zone 750 metres deep on the Gaza side of the Demarcation Line, and will hand them over to the police authority for appropriate judicial action. It is understood that the depth of this zone may be reduced by agreement between Commander UNEF and the Gaza administration in areas where villages, orange groves, etc. make the maintenance of the full depth impracticable.

5. It is recognized that a matter requiring special attention is the question whether UNEF should have authority to fire at infiltrators coming from either direction who refuse to halt when challenged in the zone in which movement is prohibited by the Gaza Administration during the hours of curfew prescribed by that Administration. Egypt will eventually accept giving UNEF troops authority to fire, provided that Israel on its side accepts the same. Pending such parallel acceptance, the cooperation between UNEF and the Palestine police must be encouraged and systematized. In this regard, the feasibility of joint night patrols composed of personnel of both UNEF and the Palestine police and their authority to fire, should be seriously explored.

6. The announced policy of Egyptian cooperation with UNEF will periodically be emphasized to the population of the Strip.

7. The right of UNEF to take action necessary for its own defence will be made known to the population.

8. The UNEF Base will be established in Rafah, and stores and installations now at Abu Suweir will be moved there.

9. In accordance with the Agreement of 8 February 1957 between Egypt and the United Nations [UN Doc A/3526][200] there will be full freedom of movement for personnel and vehicles of UNEF in the Gaza Strip and in the Sinai between the bases and headquarters of UNEF and the elements of its troops deployed along the Armistice Demarcation Line. There will be similar freedom of movement for personnel and vehicles of UNTSO and UNRWA in the Gaza Strip. Checkposts in the Gaza Strip wherever located will be manned jointly by the local police and representatives of UNEF, the former to control civilian traffic, the latter to control UN traffic.

10. In accordance with the same agreement UNEF aircraft will continue to have the right to fly freely over the Sinai and the Gaza Strip as at present. The present facilities for aircraft landing and maintenance at Abu Suweir will be moved to El Arish as soon as the necessary facilities can be established. Because of its proximity to the Demarcation Line

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[200] Des extraits de l'Accord sont reproduits dans *La crise du Moyen-Orient, janvier-mars 1957*, p. 23. Extracts of this agreement are reprinted in *The Crisis in the Middle East, January-March, 1957*, p. 22.

the airstrip at Gaza will be manned by UNEF, with a representative of the Egyptian UNEF Liaison Office present.

11. UNEF will have the right to use Gaza as a port for the landing of stores and equipment if desired.

12. UNRWA stores and installations will normally be protected by guards employed by UNRWA, but if disturbances occur or threaten which are on a scale beyond the ability of the guards or civil police to deal with, it is clearly understood that the necessary assistance could be given to UNRWA by UNEF on agreement with the Governor of Gaza or at his request. It is noted that Egypt has indicated a willingness to accept responsibility for restitution and reimbursement to UNRWA for any losses resulting from inadequate police protection. The UN must, of course, reserve its right of self-protection.

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291. DEA/50366-40

Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre de la Défense nationale

Under-Secretary of State for External Affairs
to Deputy Minister of National Defence

[Ottawa], April 4, 1957

Dear Mr. Miller:

In recent telephone conversations we have discussed the "police" function of UNEF and the possibility that an imprecise use of the term could lead to misunderstanding, bearing in mind the functions which the Canadian authorities envisage for the Canadian contingent. We have noted from telegram 235† from Cairo of March 22 that General Burns had expressed concern on learning of instructions to Colonel Dare from the Chief of the General Staff that Canadian troops should not be used "in aid of the civil power".

2. General Burns' conversation with Colonel Dare presumably took place at the time when UNEF took over from the Israeli forces and before Egyptian administration entered the Gaza Strip. The situation has since changed, and I presume that there would not now be any essential difference between General Burns' understanding of the limited police functions of UNEF and our own.

3. Any new task given to the Canadian contingent would be in line with the recent arrangements arrived at between the Secretary-General and the Egyptian Government during the former's recent visit to Cairo. You will have received by now copies of the following telegrams from our Permanent Mission in New York: 958† of March 29 and 962†, 963† and 964† of March 30, which give some clarification of General Burns' intentions for the use of UNEF and of what the Egyptian Government is prepared to do to co-operate with UNEF. These arrangements are still indefinite and their implementation will depend in large measure on the co-operation of the Israeli Government to which the Secretary-General has sent a note on April 1st requesting permission to station UNEF troops on the Israeli side of the demarcation line.

4. Our understanding of the proposed arrangements is that UNEF will not be involved in general police work in the sense of narcotics control or traffic direction. Its main concern will be the prevention of infiltration across the demarcation line. If the performance of this task requires UNEF to operate in the interior of the Strip it will, under arrangements to

which the Egyptians have agreed, be able to call on the assistance of the Palestine police force which is now under the control of the Egyptian Administrative Governor in Gaza. It is their responsibility to look after general police work in the Strip and to assist UNEF in all activities relating to the prevention of infiltration. An important reason for enlisting the aid of the Palestine police, apart from the obvious advantage of language and local know-how, was the consideration that in the case of riots or disturbances in the Strip, the responsibility for restoring order would rest with the Palestine police and not with UNEF. The only conceivable possibility in which UNEF might have to act in an anti-riot capacity would be if demonstrators were threatening UNWRA stores or if the safety of the Force itself were threatened by demonstrators. In both cases, however, UNEF troops would only take action in legitimate self-defence and the responsibility for preventing trouble and, if necessary, restoring order would automatically fall on the Palestine police force which is responsible for the maintenance of public order in the Gaza Strip. It appears therefore that the proposed duties of UNEF, as we understand them from the above-mentioned telegrams, are consistent with the purpose of the Force, which is to secure and supervise the cease-fire.

5. In addition to these main points affecting UNEF as a whole there are certain features peculiar to the Canadian contingent. The first of these is that since nearly all the Canadian troops are working in an administrative or support capacity, the likelihood of their being engaged in functions conflicting with their terms of reference is even less than would be the case with all the other contingents. Secondly, with regard to the 56 RECCE Squadron, it is our understanding that this unit is likely to be deployed for the most part south of the Gaza Strip along the Israeli-Egyptian border. So far as we know, therefore, its functions are intended to be of a genuine reconnaissance nature.

6. I assume that the proposed arrangements as we know them now are satisfactory to your Department and that any misunderstanding which may have existed between General Burns and Colonel Dare with regard to the use of the Canadian contingent is by now cleared up.

Yours sincerely,
JULES LÉGER

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292. DEA/50366-40

Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre de la Défense nationale

Under-Secretary of State for External Affairs
to Deputy Minister of National Defence

[Ottawa], April 12, 1957

Dear Mr. Miller,

In my letter of April 4th concerning the "police" functions of UNEF I stated that the Palestine police force, on which the UNEF can call for assistance in preventing infiltration across the demarcation line, was under the control of the Egyptian Administrative Governor of Gaza. This is still essentially true but, in view of recent press reports and questions in the House of Commons concerning the employment of joint patrols formed by detachments of UNEF and the Palestine police force, I believe that I should qualify my statement.

2. According to information received recently from the United Nations Secretariat, the situation is that at the demarcation line UNEF has the sole responsibility for preventing infiltration, and it is no longer the intention to employ joint or mixed patrols as originally contemplated. Behind the demarcation line, however, those units of the Palestine police force concerned with the enforcement of regulations designed to prevent infiltration are under instructions to co-operate with UNEF and will take immediate action on UNEF's request in dealing with actual or apprehended infiltration.

3. This information on the relationship between UNEF and the Palestine police force is based on arrangements agreed between the Secretary-General of the United Nations and the Egyptian authorities, as developed in subsequent discussions between the Egyptian authorities and the Commander of UNEF. For parliamentary purposes it would have been preferable if we could have used this information publicly. Unfortunately, however, it has reached us on a highly secret basis from the Secretary-General, who considers that any publicity given to this aspect of his discussions in Cairo might have damaging consequences. It was for this reason that a direct answer was not returned to a question asked in the House of Commons on April 2 concerning the position of the Palestine police force (see *Hansard* of April 2 and 5). It is therefore of the utmost importance that, at least for the time being, this information should be carefully safeguarded.

4. I believe you will agree that in the light of this further communication on UNEF's responsibilities and functions, the arrangements in effect are unlikely to lead to any misunderstanding as to the possible use of UNEF "in aid of the civil power in Gaza". Needless to say, however, officials of this Department would welcome an opportunity to discuss this problem in greater detail with Colonel Dare on his return and/or his successor, Colonel Brown.

Yours sincerely,
JULES LÉGER

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293. DEA/50366-40

Le sous-secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Under-Secretary of State for External Affairs
to Permanent Representative to United Nations

LETTER NO: DL-227 Ottawa, May 9, 1957

CONFIDENTIAL

UNEF: COMMAND INSTRUCTIONS FOR OFFICER-IN-CHARGE OF CANADIAN CONTINGENT

We attach six copies (two for you, two for the Secretary-General and two for his Military Adviser) of the Command Instructions issued to Colonel H.E. Brown who has been appointed Commanding Officer of the Canadian contingent in replacement of Colonel Dare.

2. These Instructions follow pretty much those issued to Colonel Dare but, as you will note, in addition to minor changes of the Instructions issued to Colonel Dare last November, paragraph 8 has been deleted and replaced by paragraphs 7, 8 and 9. You may be interested to know that these new paragraphs were inserted after an exchange of letters

between this Department and the Department of National Defence and are intended to cope with any difficulties arising out of orders issued by General Burns for functions which might not be entirely in line with normal military duties. As you may know there was, at the time UNEF entered the Gaza Strip, some divergence of views between General Burns and Colonel Dare over the possible employment of Canadian troops in aid to the civil power. This issue never materialized and the temporary disagreement died of itself. It was, however, considered desirable to make provisions in the new Instructions to avoid a repetition of a similar misunderstanding between General Burns and Colonel Brown and to assure the former of the full support of the Canadian Army.

J.A. McCORDICK
for Under-Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Extrait des instructions de commandement du chef d'état-major général

Extract from Command Instructions from Chief of General Staff

CONFIDENTIAL [Ottawa], April 23, 1957

. . .

7. The status, provisions for command, administrative arrangements and rights and duties of the members of the United Nations Emergency Force are set forth in the "Regulations for the United Nations Emergency Force" issued by the Secretary General of the United Nations on 20 Feb 57. You should note, in particular, that Canadian members of the Force are subject to the exclusive jurisdiction of Canadian military courts with respect to criminal offences alleged to have been committed by them in Egypt, they are not subject to the civil jurisdiction of Egyptian courts in matters related to their official duties and, in no circumstances, may their personal liberty be restricted by an Egyptian court or authority under the guise of a civil proceeding.

Employment in Aid to the Civil Power

8. Because the political situation in the Middle East is subject to sudden and frequent changes, it is not possible to give you detailed policy direction on the problem of employing Canadian troops in the United Nations Emergency Force in connection with aid to the civil power; however, I must impress upon you the positive necessity of being cooperative to the utmost limit with the Commander, United Nations Emergency Force. The United Nations has recently made arrangements which give sole responsibility for the maintenance of public order in the Gaza Strip to the Egyptian controlled Palestine police. The United Nations Emergency Force will not be called upon to deal with civil disturbances unless the safety of the Force or United Nations property is threatened.

9. Should a Canadian Army unit of the United Nations Emergency Force be ordered to undertake any duty contrary to the above arrangement, you will report the matter with your recommendations to the Chief of the General Staff by the fastest means and inform the Commander, United Nations Emergency Force, of the action you have taken.

. . .

Supercession and Effective Date

15. These Command Instructions will supersede those issued to Colonel MR Dare, DSO, CD, under file reference HQS 2001-120/41 (DMO&P) dated 18 Dec 56, and will become effective the date you assume command of the Canadian Base Unit, Middle East.

H.D. GRAHAM
Lieutenant-General
Chief of the General Staff

SECTION D

FINANCEMENT DE LA FORCE D'URGENCE DES NATIONS UNIES
FINANCING THE UNITED NATIONS EMERGENCY FORCE

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294. DEA/50366-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations to Secretary of State for External Affairs

TELEGRAM POLEG-1228 New York, November 13, 1956

CONFIDENTIAL

Repeat for Information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio from London and Delhi from Ottawa.

FINANCING OF THE INTERNATIONAL EMERGENCY FORCE

It is evident that establishment of the emergency international force will entail heavy expenditures and that it will be necessary to give more precision to methods for meeting these costs. We have, therefore, initiated informal discussions with a number of representative delegations to ascertain whether there is basic agreement on the cost sharing concepts which might be applied. We have stressed that these talks are explanatory only and that they are primarily designed to help governments to establish a basis for more definitive decisions that will have to be made at a later stage.

2. We first approached the delegations of the USA, Australia, Norway and India, the last two being members of the Advisory Committee established under the resolution of November 7. In order to provide a basis for discussions, we suggested that we might consider that governments contributing personnel would be willing at this time to assume costs, such as pay and allowances, which would be a continuing charge for these personnel if they were to continue service at home. However, the international community should be prepared to share added costs attributable to the movement of the Force to the Middle East as well as for the further expenditures required in performance of the responsibilities as defined in the terms of reference of the International Emergency Force.

3. If we apply this general concept to anticipated expenditures, we would achieve a division of costs on the following basis:

(a) The member state providing personnel would pay the normal pay and allowances and the costs of any clothing, equipment, etc., which would be required if the forces were to remain at home.

(b) Common expenses to be financed by the UN membership as a whole; these would include:

(i) Costs of any headquarters in the area or elsewhere set up to administer the Force.

(ii) Any costs of equipment or maintenance which would be attributable to the activities of the Force in the area.

(iii) Costs of transporting the Force to and from the area.

4. Although the common costs referred to above would ostensibly be shared by all member states, we would contemplate that some members would be prepared to make voluntary contributions which would reduce the size of the budgetary claim on the UN membership as a whole. The USA has already decided to provide a considerable amount of air transport at its own expense. However, there will be other costs of transportation (e.g., a contract now being negotiated with Swiss Airlines) which will be advanced by the UN out of the working capital fund. These advances will have to be recovered by a charge on the membership as a whole. We would hope that the governments of the UK and France or other governments might be willing to contribute equipment which they have already sent to the area, including transport.

5. Although delegates approached were uncertain whether their governments would be willing to accept these ideas, they indicated that their first impressions are most favourable.

6. Consideration should also be given to the desirability of inviting governments in the area to contribute local currencies which might be utilized to defray some of the local costs.

7. Quite apart from these questions of financing the Force are those of relief and rehabilitation and clearance of the Canal. We anticipate that there will be pressure to treat clearance with special urgency to meet the wishes of countries vitally interested in rapid restoration of Canal facilities. At the moment there does not seem to be any measure of agreement on the basis for financing these costs and we intend to maintain a clear distinction between these issues and those of financing the Force. It is the impression of some delegations that the costs of clearing the Canal should be met by the UK and France, but we anticipate that these latter delegations may resist any such suggestion both because of the financial magnitude and because it can logically be contended that the Canal was blocked by ships sunk by Egyptian action. We will wish to avoid a political debate on this question if possible but our first impression is that it might be reasonable to call on the main maritime and trading nations which are directly interested in rapid clearance of the Canal to contribute specialized equipment and personnel for this task. The costs of organizing the operation and perhaps some of the residual administrative changes might be included in any common budget.

9. We are forming a small group on the delegation to discuss these ideas and to formulate a possible approach which will assist the Assembly to avoid the diffuse and often uninformed discussion which is likely to emerge if the Assembly as a whole is asked to deal with these complex questions without precise advance guidance. We will inform you of further developments, but would welcome your preliminary reaction and those of the other department concerned on the ideas we may wish to circulate as a basis for discussion in the Assembly.

295. DEA/50366-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to United Nations

TELEGRAM DLDL-532 Ottawa, November 21, 1956

CONFIDENTIAL. IMPORTANT.

Reference: Your tel POLEG 1228 of Nov 13.
Repeat for Information London, Washington, Paris and NATO Paris.
By Bag Canberra, Wellington, Colombo, Karachi, Pretoria, Cairo, Tel Aviv, Beirut, Athens, Ankara, Moscow, Oslo, Copenhagen, Hague, Brussels, Bonn, Lisbon, Rome, Djakarta, Rio and Delhi.

FINANCING OF THE INTERNATIONAL EMERGENCY FORCE

At a meeting last week, including chiefs, National Defence and Finance (External was absent owing to a misunderstanding), there was general approval of the broad principle which you put forward in paragraph 2 and its elaboration in paragraph 3. While there was some discussion of possible further elaboration in order to reach greater precision, it was in the end concluded that it might be unwise, indeed unsafe, to make this attempt at this stage. The following points may give you helpful guidance in further discussions. In the first place at this juncture you should not discuss financing in terms which seem to imply a long term operation. The Force is envisaged as an emergency operation at this stage. If at the end of say six months it seemed more permanent arrangements should be made or that the functions of the Force are not what we anticipated new arrangements could be worked out at that time. In the second place, we recognize nevertheless the desirability of making arrangements for the emergency which would not be too far from the appropriate ones in the not unlikely event that operation would be longer than we would like to hope. In the third place, Canada's eventual contribution to the Force being still uncertain some interpretations of your paragraph 3 would suit us better in some circumstances rather than under others; for example, if Canada's role is largely administrative it is clearly to our advantage to insure that all possible common costs are clearly charged to UN account but if our contribution consists largely of maintaining an operational force then there are certain outlays which we might feel willing to make as a matter of expediency to insure arrangements suitable to our own force. In the fourth place, while we can agree in principle that the cost of transporting the Force to and from the area ought to be borne by the UN it seems inexpedient to press this point if in fact the U.S. is willing to pay for the greater part of this cost (in this regard you should know that in the past the U.S. has sometimes "provided" transportation and other services and then put in bills in the expectation of reimbursement).

2. We have the views of the Department of Finance on other points in your message as follows: it is doubtful whether the governments in the area can be tempted to contribute local currencies. After all they are not in the position of South Korea which called for help from the UN. The most that might be hoped would be some minimum contribution to general funds along the lines suggested in your paragraph 4.

3. As you say, there are four separate financing problems in the offing: the force; relief; rehabilitation; and clearance of the Canal. It is fully agreed that these four should be kept, if possible, completely separate. A not too serious suggestion was made that the clearance

of the Canal might become a responsibility of the Canal Users Association. It may perhaps be worth keeping in mind that the size of the Canal has in recent years become inadequate and one of Egypt's grievances against the Suez Canal Company was that with its limited expectations of life it could or would do nothing to improve the facilities.

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296. DEA/50366-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM POLEG-1419 New York, November 25, 1956

CONFIDENTIAL. IMPORTANT.

Repeat for Information Washington, London, Paris and NATO Paris.

FINANCING OF THE INTERNATIONAL EMERGENCY FORCE

Since forwarding our POLEG 1357 of November 21†, the Secretary-General's paper A/3383 has been circulated and you are presumably familiar with its contents. We also have your preliminary comments in DL532 of November 21. The following comments are offered in elaboration of our basic position and to inform you of further issues which will require clarification in the near future.

2. As you know, the financial arrangements for the Force will be determined by a decision of the Assembly in which a heavy preponderance of votes are held by delegations who are emotionally aroused but whose share of the costs would be small. Past experience has demonstrated that, whatever the protestations of many delegations concerning a desire to co-operate, they will not hesitate to support proposals which limit their financial responsibilities if they are given a reasonable opportunity to do so. Accordingly, in attempting to devise arrangements which will safeguard our main interests as a large contributor to the Force, we shall have to try to find a formula which will be acceptable to a majority of the membership. At this early stage we are therefore required to make advance judgments as to a course of action which will be consistent with Canadian interests and at the same time will be logical and defensible in principle. You observe that "if Canada's role is largely administrative, it is to our advantage to charge maximum costs to the common account but if our contribution consists largely of maintaining an operational force, then there are certain outlays which we might feel willing to make as a matter of expediency to ensure arrangements suitable to our own force". We will certainly attempt to adjust our positions to changes in the Canadian role in the Force, but we are sure you will recognize that there will be no difficulty in securing acceptance of proposals which would increase the Canadian share of the cost of maintaining our own force. This possibility is covered by our suggestion of provision for "voluntary contributions which would reduce the size of the budgetary claim on the UN membership as a whole". However, we are more likely to be confronted with a situation in which a large majority of the membership will press for financial arrangements which will rely on a few contributors to assume the main burdens both of providing personnel and financing their activities. On balance we believe that our interest would be most likely to be served at this stage by cultivating the idea that there are common responsibilities which should be shared widely and equitably by the membership

while at the same time leaving it open to governments to make maximum voluntary contributions to the force.

3. Our observations on the costs of transporting the Force are based on the same approach. In paragraph 4 of POLEG1228 we indicated our belief that the USA could be counted on to provide air transport at its own expense. At the same time, we referred to "other costs of transportation which will be advanced by the UN out of the working capital fund and which will have to be recovered by a charge on the membership as a whole". Our thought was that voluntary contributions should be encouraged but if we make no provision for shared costs, the large majority of membership will be pleased to be absolved of any financial responsibility and are likely to let the issue go by default. In that event, Canada, as a large provider of troops, may end up by assuming more than a fair share of the responsibility of meeting the costs of transportation of its own and other contingents.

4. While we are attempting to keep this question separate from that of the Force, similar problems arise in dealing with the question of financing the clearing of the Canal. As you know, the costs of this operation have been estimated in the press at amounts ranging between 30 to 40 million dollars. The USSR and many other governments have already suggested that these costs should be borne entirely by UK and France and, as we anticipated, these latter governments have pointed out that the Canal was blocked by Egyptian action. The UK has already circulated a paper (A/3382) offering to make available a number of salvage vessels in the area and other experienced maritime nations have offered to provide specialized personnel and equipment. The draft resolution which Canada is co-sponsoring authorizes the Secretary-General "to proceed with the exploration of practical arrangements and the negotiations of agreements so that the clearing operations may speedily and effectively be undertaken". If this resolution is accepted, the UN will be committed in principle, to take initiative to organize the canal-clearing operation. Regardless of the extent to which the UK or others assume special responsibilities for this task, it seems likely the UN will be heavily involved. We consider that we should not, at this stage, encourage the membership at large to assume that they will not be required to back these commitments.

5. We have already brought the Secretary-General's proposals for insuring members of the Force to your attention but we must now comment on two further proposals referred to in A/3383.

6. A figure of $10 million has been suggested as the initial advance required to meet initial UN expenditures for the Force. We agree that this figure is as good an initial estimate as any other and we see no objection to a request that member states *advance* this amount. However, we would wish to ensure that any initial assessment for this purpose will be treated as an advance only and that the actual expenditures to be charged against individual states will be determined after definitive decisions have been made on the financial arrangements in the Fifth Committee.

7. The Secretary-General has also made proposals in A/3383 concerning the currency of payment of troops. He observes that "the troops assigned to the Force will need to be paid to some extent at least in the currency of the country in which they are situated, and this may create foreign exchange difficulties for the nations which contribute the units and are responsible for their pay". To meet this situation, he considers that "it would be appropriate for the UN to make available to the contributing government against reimbursement in their own currencies such foreign exchange as would be necessary for this purpose at a rate of exchange to be determined by the Secretary-General in consultation with the governments concerned."

8. In its literal sense, this would mean that the UN will not only be required to finance its own budgetary outlays for the Force, but it will also be required to act as a foreign exchange intermediary to provide governments participating in the Force with Egyptian currency and to accept reimbursement for the outlays in the currency of the member. If the UN accepts this responsibility, it will end up with a large supply of inconvertible currencies for which it is unlikely to have any ready use (e.g. Indian rupees and Colombian pesos). Similar arrangements might be required for the Yugoslav contingent which is already participating in the Force and for the Czech if the UN should agree to include in the Force troops from USSR satellites which have already made offers. In its issue of Friday, November 23, the *New York Times* offered, possibly inadvertently, a more practicable interpretation of this proposal. According to the *Times*, the countries in the area, for example Egypt, might make local currency available for payment of the soldiers and receive a credit against "the nations' UN assessment".

9. We spoke to the UN controller to inquire whether there is any validity to the *Times* interpretation. As expected, he informed us that the *New York Times*' story was incorrect. We will be examining this question more closely and will submit suggestions, but our first impression is one of reservations regarding the extent to which the countries participating in the Force should be encouraged to rely on the UN to accept inconvertible currencies to cover the local pay for their own troops. We have requested an estimate of the amounts likely to be required for this purpose.

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297. DEA/50366-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1665 New York, December 11, 1956

CONFIDENTIAL. IMPORTANT.
Repeat for Information Washington, NATO Paris, Paris and London.

FIFTH COMMITTEE: FINANCING OF UNEF FORCE

As anticipated in our telegram 1419 November 25, it immediately became clear in the opening debate on the allocation of costs of the Force that a large number of delegations would make a serious effort to absolve their governments of any financial responsibility or alternatively would endeavour to find justification for reducing their share of the cost.

2. The debate began mildly with Denmark, Finland, the USA and Italy agreeing with the Secretary General's proposal for sharing the costs among all members according to the 1957 scale of assessments. The delegations of Czechoslovakia, Romania opposed these views in mild statements which indicated their belief that the "aggressors" should pay.

3. Contrary to our expectation, there was no invasion of the Committee by heads of delegations and it appeared that the debate might be limited to moderate and objective discussion of the financial issues. However, Sir Leslie Munro of NZ visited the Committee and intervened, after the speakers noted above, in a well intentioned but ill-timed political statement attempting to refute the idea that the UK and France should pay and using the phrase "Egypt is not blameless in this matter". At this point the Egyptian delegate intervened on a point of order and the Chairman partially lost control of the meeting. Sir Leslie

realized quickly that he had, as he described it later, "dropped a brick" and agreed to a motion of the adjournment until the following meeting. The following morning he made a modified and moderate statement indicative that the responsibility for the crisis in the MidEast lay on a very broad basis. The Egyptian delegate spoke next and began a lengthy and vitriolic rebuttal of Sir Leslie's charges of the previous afternoon. There were constant interruptions on points of order by the Israeli delegate, Sir Leslie and others and the Chairman again lost effective control of the Committee. After a lengthy procedural debate during which the Committee threatened to adjourn the session, it was finally agreed that all speeches would be limited to treatment of the financial issues but it was agreed that it might not be possible to entirely exclude references to political factors which should be taken into account in reaching final conclusion on questions of cost sharing.

4. We had prepared a brief non controversial statement indicating the firm support of the Canadian government for the Secretary General's proposal (sent to you in our telegram POLEG1559 December 4†). When it appeared that order had been restored in the Committee, we intervened in the hope that our statement would encourage other delegations to discuss the question in a moderate and objective way.

5. The speeches that followed were on the whole quite predictable. All the Communist countries continued to express the view that the cost should be paid by the "aggressors". The Cambodian representative stated that his country did not utilize the Canal and therefore, was not convinced that it should share in the expenses of UNEF. He went on to say that his country would, in fact, be entitled to submit a claim for the damages to his country's economy due to the blockage of the Canal. The delegates of Turkey, Dominican Republic, El Salvador, approved the Secretary General's proposal subject to endorsement by their legislative bodies of the financial expenses involved.

6. The representatives of Spain and Guatemala indicated that they were prepared to fulfil their international obligations but they contended that the burdens should be shared on some other basis and that other countries should bear a larger share of the responsibilities. The Spanish representative suggested that the Big Powers might be prepared to pay the first fifty percent of the cost and that the remaining fifty percent should be financed by all delegations, including the Big Five, according to the scale of assessment. The Ceylonese delegate was careful to avoid any commitment and contented himself with statements indicating that he thought that more careful consideration should be given to better ways for sharing the costs. In private conversations, he observed that the Ceylon delegation felt that the "aggressors" should pay but he did not present this view at the debate. We did not disagree with him, but we inquired informally whether it was his view that the costs of the domestic policy forces of members should not be supported by the whole community.

7. At one point the representative of Guatemala requested the Secretary General to make new recommendations for a revised scale to share the costs. The Controller very properly pointed out that the Committee already had received the considered views of the Secretary General and that a request for further suggestions would place the Secretary General in an embarrassing and difficult position.

8. The discussion was inconclusive and there was considerable uncertainty as to the probable results if an immediate vote had been called. Accordingly, although many delegations would have preferred to make a decision in principle at the meeting, we did not oppose the motion for adjournment but abstained along with the delegate of USA.

9. Following the meeting, we discussed the question further with the delegate of India and others in the hope of encouraging a better understanding of the fundamental issues involved as well as the detailed Canadian position. We suggested that the Indian Govern-

ment as a contributor to the Force and a potential leader in the Afro-Asian group should consider very carefully the adverse consequences which would result if the Committee should fail to accept the Secretary General's proposal for sharing expenses. We observed that it was most important to maintain the integrity of Assembly resolutions and suggested that a bad precedent would be set if members, having approved the resolution by an almost unanimous decision, were to decide that their government should not provide adequate resources to carry out these responsibilities. Although it might be to the short term financial advantage of the smaller countries to avoid any financial responsibilities for the Force, it was important to recognize that, in the long run, they were the countries which might be most anxious to receive protection at some future date under the Collective Measures Articles of the Charter. In addition, we pointed out that if members could ignore their financial responsibilities under this resolution, the same could happen in connection with a resolution of some other committee, for example, the Economic Committee in which the under developed countries might have a strong interest. The Indian representative indicated that he recognized the dangers of the course some delegations were advocating and he has undertaken to consult with his government. We are hoping that he will be in a position to exert a healthy influence among other members of the Afro-Asian group.

10. The question will come up for debate again today and we have been informed that there have been many caucuses over the weekend amongst the Afro-Asian group and the Latin American group to attempt to devise a new approach. In a phone conversation with Plumptre before his departure for NATO, Pollock suggested that it would be desirable to be on guard against a concerted move by various groups to avoid assuming their equitable share of the costs and to be ready to cooperate with other delegations in securing sound and adequate principles for financing the Force.

11. The next stage of the debate will be completed before this telegram reaches you and we will be basing our position on this and previous communications. We will be reporting later today on further developments on this important debate and are repeating this telegram to NATO, Paris with a request that copies be provided for Messrs. Pearson and Plumptre.

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298. DEA/50366-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1698 New York, December 13, 1956

CONFIDENTIAL. IMMEDIATE.

Repeat for Information London, Washington, Paris and NATO Paris.

FIFTH COMMITTEE: FINANCING OF UNEF

The discussion of the financing of UNEF continued on the afternoon of December 10. India [and] 18 other Arab and Asian states had submitted a resolution proposing that "further study" be undertaken of the problem of allocating expenses. In the resolution they requested that the Administrative and Budgetary Committee appoint a nine-member group to consider the matter and report back by January 20.

2. El Salvador presented an alternative plan in the name of all twenty Latin American representatives. The plan accepted the idea that the 1957 scale be followed in collecting contributions up to five million dollars "for the time being". Expenditures above that amount during 1957 would have to come from voluntary contributions.

3. We had been informed confidentially that these proposals would emerge from week-end caucuses of the Afro-Asian group and the Latin American group and we had consulted with the USA on action we might take to submit a proposal which would meet the immediate financial needs of the force and at the same time would be acceptable to a majority of member states.

4. To attain this end the USA considered that it would be necessary to make some concession to the expressed wish of many delegations to limit the commitments they would be required to assume for the Force. In accordance with these discussions the representative of the USA made an oral proposal at the beginning of the meeting suggesting that:

(a) that the expenses of the Force, with the exception of the pay and equipment of the national contingents and such other supplies, equipment and services as might be furnished without charge by member governments, should be borne by the UN;

(b) that up to the sum of ten million dollars these expenses should be apportioned among the member states in accordance with the scale of assessments adopted by the General Assembly for contributions to the annual budget of the Organization for the financial year 1957, this decision being without any prejudice to the eventual apportionment of the expenses of the force in excess of ten million dollars.

5. In introducing this proposal, the USA representative alluded to the large contributions the USA was already making to the force and pointed out that these "had appreciably reduced the amount of expenses yet to be covered". At the same time he considered that all member states should share these further outlays on the basis recommended by the Secretary General. He realized, however, that many governments would be unable to assume obligations of an unlimited and indeterminate amount.

6. In order to encourage acceptance of this proposal we suggested a modification to combine the USA recommendation for provision of the first ten million dollars on the basis of the scale of assessments with the idea of establishment of a working group to consider the basis for apportionment of the expenses in excess of ten million dollars, as suggested in the nineteen-power draft resolution. The USA representative immediately accepted this proposal and agreed to incorporate it in a joint resolution.

7. In the discussion that ensued most delegations continued to maintain their original positions. These can be summarized under the four following categories:

(a) The USSR and satellites are refusing to assume any part of the costs, stating that these should be borne by the aggressors. Cambodia has taken the same position.

(b) The Afro-Asian Bloc have submitted a resolution "considering the several different views on such contributions not yet reconciled", "considering that the matter of allocation of the expenses necessitates further study ..." "decides to appoint a Committee of nine member states to consider the matter in all its aspects and to report not later than January 20/57".

(c) A group including USA, Western Europe, "Old Commonwealth" and a few others support the principle expressed in the Secretary General's resolution.

(d) A mixed group, including Spain and a number of Latin American delegations, accept the principles of shared contributions but consider that some arrangements should be worked out to reduce their share of the costs.

8. As the discussion progressed it became clear that a favourable solution could not be obtained immediately and the Committee decided to postpone until Wednesday afternoon further consideration of this question. After the meeting we discussed this matter with the USA and other delegations and agreed that it would be desirable to utilize the time before the next meeting in a concerted attempt to try to induce other delegations to adopt a more co-operative position.

9. After the meeting Pollock spoke with Ventkataraman, representative of India in the Fifth Committee, to ascertain whether they were in fact receptive to compromise. Ventkataraman replied that his mind was still open on this question but it was evident from his replies to various questions that he was acting under fairly rigid instructions. In view of the importance of the matter MacKay spoke personally to Krishna Menon to emphasize the important issues involved and to underline the dangerous precedent which would be established if delegations are able to vote for resolutions and then refuse to provide resources to carry them out. He will also approach Gunewardene of Ceylon.

10. Although the Pakistan delegation had co-sponsored the Asian-African resolution, their delegate indicated support for the Secretary-General's recommendation. They admitted that they had co-sponsored the Afro-Asian resolution for political reasons. Iraq and one or two others implied that they are in the same position. The USA delegation has undertaken to canvass the Latin American group in order to obtain as much support as possible for the USA and Senator Lodge is taking a personal interest in the matter. We spoke to various Western European, Scandinavian and Old Commonwealth delegations in order to crystallize support of these members and urged them to speak with other members with whom they have friendly relations, in order to encourage further support for the proposal for collective payment of the charges of the Force. The USA-Canadian proposals have been submitted formally as an amendment to the Afro-Asian resolution.

11. The Committee originally had agreed to vote on the matter on Wednesday afternoon, December 12. However, the USA informed us before the meeting that further time might be valuable in ensuring a satisfactory decision. Accordingly the USA requested a further postponement until Monday, December 17. This proposal was concurred in by India, the spokesman for the Nineteen-Power Afro-Asian resolution, and Urquia, the chairman of the Latin American caucus. The deferment is intended to give the Latin American and other delegations more time to obtain authority to support the Canadian-USA compromise. This compromise is now embodied in an amendment to the Nineteen-Power resolution and is co-sponsored by USA, Canada and Norway.

12. Our USA colleagues consider that by Monday there will be enough support for the amended resolution to ensure a two-thirds majority. As you know, this majority will be required for ratification of the Fifth Committee decision by the Assembly. We are continuing our discussions with Afro-Asian delegations and many of them give evidence that they may be ready to accept the amended resolution. Despite Dr. MacKay's conversation with Menon and Lall, India has not yet committed itself and without India's assured backing it is always possible that enough delegations will follow the Indian lead to jeopardize the possibility of obtaining a two-thirds majority.

13. NATO delegation, please provide copies for Messrs. Pearson and Plumptre if they are still in Paris.

299. DEA/50366-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1794 New York, December 19, 1956

CONFIDENTIAL. IMMEDIATE.

FINANCING UNEF

As a result of lengthy negotiations during and after yesterday's meeting of the 5th Committee a joint resolution has emerged which will be submitted tomorrow December 20 under the joint sponsorship of the 19 Afro-Asian members, USA, Canada, Norway, Finland, and probably Guatemala.

2. The resolution, the text of which is contained in my immediately following telegram†, is a careful merger of the main ideas expressed in the debate and has the effect of authorizing an immediate assessment against all member states to provide ten million dollars for the Force leaving the question of arrangements for apportioning any expenses in excess of this amount for subsequent consideration of a committee which will report later to the Assembly. The composition of the committee is still under discussion but the proposed list now includes Canada, USA, USSR, El Salvador, Mexico, Sweden, India, Ethiopia and Ceylon or the Philippines. Since the USSR has stated that it will not contribute to the Force Yugoslavia may be called upon to replace USSR.

3. The negotiations leading to this compromise were difficult and complex but it would appear that the resolution will receive very wide support except for the USSR and satellites. Toward the end of yesterday's negotiations the representative of the Secretary General indicated that the composite resolution would be acceptable to the Secretary General.

4. We will report in detail on the main positions of individual delegations in these discussions but we are sending this by immediate telegram tonight in order to provide you with the text before the vote is completed in the Committee.[201]

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[201] Le Cinquième Comité a adopté la résolution de compromis le 20 décembre par un vote de 57 voix pour, 8 voix contre et 9 abstentions. L'Assemblée générale a approuvé la résolution le 21 décembre.
On December 20, the Fifth Committee adopted the compromise resolution by a vote of 57 in favour, 8 against and 9 abstentions. The resolution was approved by the General Assembly on December 21.

300. DEA/12479-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 612 New York, February, 18, 1957

CONFIDENTIAL. IMPORTANT.

FINANCING OF UNEF

You will recall that the Assembly on December 21/56 decided that the expenses of UNEF other than for pay, equipment, supplies and services furnished without charge by member governments should be borne by the UN and apportioned among member states to the extent of $10 million in accordance with the scale of assessments adopted by the General Assembly. The same resolution established a Committee of Nine (including Canada) to examine the question of the apportionment of the expenses of the forces in excess of $10 million.

2. The first meeting of the Committee of Nine was delayed pending collection of more info concerning the extent of the further financial requirements for UNEF. It was also hoped that discussion of MidEast questions in the Assembly might result in an easing of tensions and thereby improve the atmosphere for financial discussions.

3. In a report issued on February 8 the Secretary General estimated that the requirements for the Force during 1957 may reach $16,500,000. The Secretary General's report "holds to the view previously expressed that decisions which are taken by the Assembly itself and which have important financial conclusions carry with them an obligation on the part of all member governments to make available to the Secretary General the requisite requests for their implementation". However, the report goes on to say that "in the light of the discussion of this question which has already taken place in the Fifth Committee and of the fact that the time remaining before the close of the eleventh regular session will scarcely permit the working out of special assessment or similar arrangement the Secretary General is disposed to recommend that member governments exert further efforts to ensure that any sum needed in excess of $10 million will be financed by voluntary contributions either in cash or in kind".

4. This recommendation of the Secretary General makes it virtually certain that the Committee of Nine will reject any proposal for mandatory sharing of costs. Last week the USA approached us to indicate their belief that it would be unrealistic to press for any common assessment and gave us a draft resolution which I am forwarding in my following teletype† which would decide that further expenses should be financed by voluntary contributions. We informed the USA that a resolution of this kind is objectionable as it does not reaffirm the principle of collective responsibility for UN decisions on the Force. They have, therefore, amended their text to include a new preambular paragraph which would "recognize that UNEF expenses consist of UN expenditures within the general scope and intention of Article 17 of the Charter, subject to apportionment among member states in accordance with the scale of assessment adopted by the General Assembly for contribution to the annual budget of the UN".

5. Although this paragraph improves the USA text and if adopted could be used to support our general position when this matter is under consideration at the Twelfth Assembly,

the Minister has agreed that Canada should continue to press for collective financial responsibility for the cost of the Force. To this end we have submitted an amendment to the USA resolution proposing replacement of the operative paragraph which "decides that UNEF expenses in excess of the 10 million dollars already assessed be met to the extent possible on a voluntary basis" by a new paragraph which will "invite member governments to make voluntary contributions which will ease the financial burden for 1957 on the membership as a whole".

6. By this amendment we hope to avert a "decision" in favour of voluntary financing which might be cited in future debates as a precedent against assessments by substituting an invitation to ease the impact of the general principle for assessments under Article 17 of the Charter. Since this distinction is rather subtle we are also considering other tactical moves including the possible introduction of another amendment. These prospective moves can be best described by Monk of the Department of Finance who returned to Ottawa yesterday.

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301. DEA/12479-B-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 702 New York, February, 27, 1957

CONFIDENTIAL. IMMEDIATE.
Reference: Your tel DL228 of Feb 25.†

FINANCING OF UNEF

As indicated in our telegram 671†, the special committee on financing the costs of UNEF was unable to reach agreement on a new basis for assessments and we therefore concentrated our attention on amending the USA resolution to ensure that any appeal for voluntary contributions to meet the added estimated requirements of $6.5 million would not undermine the principle of collective financial responsibility and would not prejudice the possibility for agreement on a further assessment at the Twelfth Session of the Assembly.

2. We were successful in this effort and the Committee of Nine, which was strongly opposed to the USA resolution as drafted, was able to accept an amended version by a vote of 8 to 1, with only the USSR in opposition. The Committee report and the resolution were subsequently approved by the Fifth Committee and the Assembly. The resolution follows:

The General Assembly,

Recalling its Resolutions A/RES/412 of November 26, 1956 authorizing the establishment of a UNEF special account in an initial amount of $10 million, and A/RES/448 of December 21, 1956 apportioning this initial $10 million among the member states in accordance with the scale of assessments adopted for contributions to the annual budget of the organization for 1957,

Noting that UNEF expenses already approved for 1957 represent a sizeable increase in assessments placed on member states, causing a grave unanticipated financial burden for many governments, acknowledging that certain governments have borne certain UNEF expenses without charge, such as pay, equipment, supplies and services,

Noting, nevertheless, that the Secretary-General estimates that UNEF expenses for 1957 will exceed the $10 million previously assessed,

Noting the request of the Secretary-General for authority to enter into commitments for UNEF up to a total of $16,500,000,

1. Authorizes the Secretary-General to incur expenses for UNEF up to a total of $16,500,000;

2. Invites member states to make voluntary contributions to meet the sum of $6,500,000 so as to ease the financial burden for 1957 on the membership as a whole;

3. Authorizes the Secretary-General, pending receipt of contributions to the special account:

(a) to advance from the working capital fund such sums as the special account may require to meet any expenses chargeable to it;

(b) where necessary, to arrange for loans to the special account from appropriate sources, including other funds under the control of the Secretary-General, provided that the repayment of any such advances or loans to the special account shall constitute a first charge against contributions as they are received; and further provided that such loans shall not affect current operational programmes,

4. Decides that the General Assembly, at its Twelfth Session, shall consider the basis for financing any costs of UNEF in excess of the $10 million not covered by voluntary contributions.

3. As a result of this decision, there will be an estimated gap of $6.5 million. The Committee report mentions a [unintelligible] contribute about half this amount. In making the offer, the USA made the customary announcement that the USA contribution would be forthcoming provided adequate contributions are made by other member states.

4. In view of the substantial Canadian contribution to the Force, and our assessment of $315,000, the Minister is convinced that Canada is under no compulsion to make a further financial contribution to the Force and he would not favour the introduction of a new item in the estimates for this purpose. However, as pointed out in paragraph 6 of our telegram 671, there is some flexibility in the attitude we may adopt in determining the extent to which we bill the UN for costs of the Canadian contingent. As indicated above, we do not consider that a further contribution is necessary but if, in your opinion, some financial contribution is warranted, we could claim reimbursement for marginal expenditures on behalf of the forces and use the amounts recovered as an offset for a Canadian contribution. We cannot recollect the procedures and authority required under the Financial Administration Act to re-expend any amounts recovered but we are drawing attention to this possibility in case you find that it is technically feasible and if you see any advantage either in terms of public relations or in case a Canadian contribution would help the USA to meet any Congressional requirement for matching contributions.

302. DEA/12479-B-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], May 27, 1957

On February 27, 1957, the General Assembly authorized the Secretary-General to enter into commitments for the UNEF up to a total of $16.5 million and invited member states to make voluntary contributions to meet the additional sum of $6.5 million (representing the difference between the $10 million already authorized and the assessed total cost of operation of UNEF for the year ending on December 31st, 1957) so as to ease the financial burden of the membership as a whole.

2. On that occasion you expressed the view (see paragraph 4 of the attached telegram 702 from New York dated February 27, 1957) that Canada was "under no compulsion to make a further financial contribution to the Force" and you did "not favour the introduction of a new item in the estimates for this purpose". The telegram went on to say however that "if some financial contribution is warranted ... we could claim reimbursement for marginal expenditures on behalf of the Force and use the amounts recovered as an offset for a Canadian contribution".

3. Finding merit in this proposal we left the matter in abeyance pending result of the talks between the Secretary-General and the UNEF members on allocation of costs. While there has been an attempt on the part of the Secretary-General to arrive at a financial arrangement, this question is still unresolved and we are in no position to set a figure of marginal expenditures which could be used as an offset for a contribution. Since then we have received, on April 19, a formal request from the Secretary-General inviting members to make voluntary contributions and pointing out that the U.S.A. had announced its intention to contribute the equivalent of about half of the amount of $6.5 million, provided that other governments contribute the other half.

4. We asked our Permanent Mission to sound out the Secretariat on the reaction of the members to the Secretary-General's last request for funds. Up to now very few countries have shown a willingness to subscribe and it is anticipated that the amount required will not be easily obtained. The U.S.A. contribution to UNEF is under heavy fire in Congress and it is not sure that the American contribution will be authorized. If it is authorized it will most probably be conditional on an assurance that other U.N. members have already come forward with their contributions for half of the $6.5 million. As you know, the principle of contributing to the first $10 million on the basis of the scale of assessment was not agreed to without opposition from some quarters and there are good reasons to expect that contributions to half of the $6.5 million may not be received before the next General Assembly Session when further funds will probably have to be voted if UNEF is to continue in operation after December 31st, 1957. Furthermore it is also not entirely certain that the amount of $16.5 million will cover all UNEF expenses for 1956-57. If member countries of UNEF, such as the Scandinavians, press for reimbursement of items which were thought to be their responsibility when the assessment was done the total cost of UNEF may well exceed the figure of $16.5 million and further funds will have to be authorized by the General Assembly for the current year of operations.

5. Canada has already contributed $315,000 of the first $10 million and is spending considerable amounts of money to maintain the Canadian contingent without any definite

idea of what is recoverable from the U.N. since the matter of allocation of costs is still unsettled. Attached is an illustrative table of available figures of expenditures incurred up to the end of May by the Department of National Defence.

6. In view of the uncertainty surrounding the whole question of the financing of UNEF we are of the opinion that we should inform the Secretary-General that pending the solution of the problem of allocation of costs we are in no position to commit ourselves further.[202] We might explain that Canada's expenditures on behalf of UNEF are considerable and until we are able to assess what our membership will cost the Canadian Government we cannot assume a larger share of financial responsibility. We could add that we will be prepared to review our position next fall in preparation for the discussions at the General Assembly but for the time being we are unable to meet the Secretary-General's request.[203] Furthermore, we have sounded out the Department of Finance where the question of a contribution to the $6.5 million has been discussed between Mr. Plumptre and Mr. Pollock. They would be reluctant to recommend to their Minister the approval of a further contribution at this moment.

7. If you agree a letter† along these lines can be sent to our Permanent Representative in New York.

J. L[ÉGER]

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[202] Note marginale :/Marginal note:
I agree [L.B. Pearson]

[203] Note marginale :/Marginal note:
Yes [L.B. Pearson]

CHAPITRE II/CHAPTER II

NATIONS UNIES
UNITED NATIONS

PREMIÈRE PARTIE/PART 1

NATIONS UNIES
UNITED NATIONS

SECTION A

ONZIÈME SESSION DE L'ASSEMBLÉE GÉNÉRALE, NEW YORK, 12 NOVEMBRE 1956 AU 8 MARS 1957
ELEVENTH SESSION OF THE GENERAL ASSEMBLY, NEW YORK, NOVEMBER 12, 1956 TO MARCH 8, 1957

SUBDIVISION I/SUB-SECTION 1

INSTRUCTIONS À LA DÉLÉGATION CANADIENNE
INSTRUCTIONS TO THE CANADIAN DELEGATION

303. DEA/5475-W-13-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], October 12, 1956

SELF-DETERMINATION AND COLONIAL ISSUES IN THE UNITED NATIONS

In anticipation of discussions which will take place at the forthcoming General Assembly, we have made a reassessment of the Canadian attitude on self-determination and reviewed our policy on colonial issues as a whole. A meeting of representatives from the Divisions mainly concerned was recently held and a number of tentative conclusions were reached.

Self-determination

Our past difficulties in this regard may have been due in part to the fact that we have not made and maintained a clear distinction between self-determination as a legal concept (which has not yet been satisfactorily defined) and self-determination as a political principle (to which we subscribe but which must be related to other charter principles, e.g. domestic jurisdiction, respect for valid international obligations, etc). Canadian policy statements have accepted the principle but we have not always been clear in our minds as to what exactly the concept involved legally; hence our reluctance to subscribe to the proposed articles on self-determination in the Covenants on Human Rights. In the early days of the United Nations, it was generally assumed that self-determination meant the sovereign equality of states but lately the notion has become much broader.

Should the above distinction commend itself to you, it is thought that it could be put to practical use at the next General Assembly when the Canadian Delegation will be faced with two resolutions suggesting the establishment of commissions responsible for making recommendations to strengthen the right of self-determination and for investigating alleged denial of this right. There is, however, an alternative United States proposal calling for the establishment of an *ad hoc* study group to be appointed by the Secretary-General to carry out a study of the concept of self-determination.[1] You may agree that we should give our support to this suggestion on the grounds that it would be difficult for the proposed commissions to apply concepts which still require legal definition. We could, however, informally explore with other delegations the possibility that the study group, without being turned into a roving commission or being given the task of making proposals relating to specific issues, might also look into the practical applications rather than restrict itself to the theory. While there is a genuine conviction on the part of many western countries that the problem has not yet been sufficiently explored, this view is not shared by the anti-colonialists who may consider the establishment of an expert group as a mere stalling device. Therefore, by proposing that the group should relate theory and practice, we would show that we do not merely propose to delay the application of self-determination but that we are anxious to find out whether effective arrangements can be worked out on an acceptable theoretical basis. An added advantage in setting up the proposed study group would be to remove the issue from the heated atmosphere of the Assembly for at least a short while.

The suggestion has been made also that we might try to persuade some of the Colonial Powers to show greater willingness to co-operate with the United Nations on self-government issues, and to consider, for instance, placing under trusteeship certain of their non-self-governing territories.[2] The Colonial Powers would not be required to agree that the United Nations should decide whether independence is to be granted; but once the decision to grant self-government had been made it might be possible in certain cases to get the Organization into the act and to involve the Trusteeship Council, for instance, in the subsequent discussions on procedure and timing. The Colonial Powers might thus relieve a certain amount of pressure on themselves and elicit reasonable and constructive reactions on the part of the more responsible anti-colonial countries. Admittedly, strategic and other considerations will have to be taken into account, but if we consider that we will, in any case, be faced with more pressure as years go by, new initiatives seem essential. Although it may be premature to submit these views formally to our friends, we were wondering whether you would have any objection[3] if the appropriate officers were to try the idea out informally on Mr. Bourdillon, Under-Secretary of State in the Colonial Office, who will be visiting Ottawa shortly for discussions on colonial matters. The British, whose position vis-à-vis the anti-colonialists has been steadily deteriorating recently, may be prepared to consider new suggestions.

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[1] Note marginale :/Marginal note:
Yes [L.B. Pearson]

[2] Note marginale :/Marginal note:
I agree [L.B. Pearson]

[3] Note marginale :/Marginal note:
no — that is no objection [L.B. Pearson]

Colonial Issues

On reviewing our policy of general non-alignment concerning colonial problems, we have found it acceptable on the whole, although it may not have been too constructive and imaginative at times. It is therefore proposed that we should continue on our middle course, but perhaps in a somewhat more active and positive way. This need not, however, be overly systematic or obvious, but closer consultation and co-operation with countries which are not directly concerned in colonial issues could, we believe, be profitable. It does not seem sufficient to go on instructing our delegations that we must be circumspect and tactful so as to balance our European ties with the need of retaining the friendship of the Asians. While being careful not to lose contact with our traditional friends and not to do anything which might lead them to consider that we are withdrawing our sympathy, we could do something occasionally to bring closer to each other the "good colonials" and the more "sophisticated" anti-colonials, and thus make a contribution in the urgent task of preventing the new countries and dependent areas from falling prey to communism.[4] If we wait until each particular case of emancipation becomes an international issue it will then be already too late. If, as we believe, there is a desire on the part of many anti-colonial countries to be listened to by some western countries, we should perhaps be prepared to do our share of listening and conveying. We believe that, in some cases we should be able, with the assistance of countries like New Zealand, Norway, Denmark, etc., to assist both sides in solving their problems and understanding each other.

I do not suggest that we should undertake a major operation at the forthcoming Assembly. If you agree, we might, however, make a definite effort, whenever possible, to find compromise solutions and to persuade the countries concerned of the necessity of adopting reasonable attitudes.[5] Such efforts would be well rewarded if, for instance, we were able, with other like minded countries, to bring the more intransigent anti-colonialists to realize that no advantage can possibly be gained by pushing France out of the United Nations on Algeria. In other words, what we propose is that at the next Assembly our Delegation might play occasionally a more active and constructive role than in the past on colonial issues by making greater use of the moral influence which we have with both sides. Closer contacts with as many Asians and Arabs as possible may provide the required framework for what we have in mind. It is symptomatic that, this year, our Delegation will be seated between the Cambodians and the Ceylonese. I hope to submit for your approval a telegram to our Mission in New York outlining, on the basis of the above considerations, certain tactics we might pursue during the next session of the Assembly on colonial and on a number of other issues.

It is our hope that the general approach suggested above may be applied successfully in specific instances e.g. West New Guinea, Algeria, Cyprus if circumstances appear to be auspicious. Before any action is taken, however, detailed briefs and recommendations will be submitted for your approval in each case.[6]

J. L[ÉGER]

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[4] Note marginale :/Marginal note:
a very delicate operation [L.B. Pearson]

[5] Note marginale :/Marginal note:
Yes [L.B. Pearson]

[6] Note marginale :/Marginal note:
I certainly agree with the thesis and suggestions of this memorandum — the details of implementation through policies and procedures on our part at the UN will, of course, have to be very carefully thought out as opportunity offers. We could get into a lot of trouble with both sides in our honest and intelligent broker role! L.B. P[earson]

304. DEA/5475-DW-48-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], October 24, 1956

CONVERSATIONS AND NEGOTIATIONS WITH SOVIET OFFICIALS

As a result of the new Soviet tactics, the members of our delegations to international conferences may find greater opportunities for conversations and negotiations with Soviet officials. It is thought that it might now be desirable to provide some guidance on the subject as part of the Commentary for the next session of the General Assembly.

The attached comments are submitted for your approval: our intention is to expand this paper in the light of experience during the session of the Assembly and to incorporate it in the general instructions provided to all delegations.[7]

The comments, I realize, are perhaps a bit restrictive, but, on the whole, it may be better to err on the side of prudence.

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

Note

Memorandum

SECRET [Ottawa], October 22, 1956

DISCUSSIONS WITH SOVIET OFFICIALS

Since the USSR adopted their new and milder policy, Soviet officials abroad have shown a greater willingness than in the past to meet representatives of Western countries and on certain occasions to discuss informally the substance of, or the tactics relating to, particular issues. It may be desirable, therefore, to provide some guidance should members of Canadian delegations be approached by Soviet officials or find opportunities for talking to them.

2. Although precautions have to be taken to ensure the success of conversations with Soviet officials, yet any moves on their part should be encouraged, whenever possible. Negotiations with Soviet representatives are usually protracted and difficult, but they are essential if co-existence is to lead to a peaceful settlement of outstanding issues. While it may be desirable to convey the idea that it will take more than a few official statements to achieve a detente, Western representatives should be ready to discuss on their merits any Soviet proposals and to come forward with suggestions of their own.

3. It has happened in the past, although rarely, that on a specific issue the Soviet and the Canadian Delegations were seeking similar objectives: in such cases an exchange of views between members of both Delegations, with the above safeguards, has had effective

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[7] Note marginale :/Marginal note:

Very useful and interesting. I wonder whether it should not be expanded somewhat to cover possibilities of exploiting with satellite delegations the present situation in Poland & Hungary. L.B. P[earson] results. The Soviet officials, for instance, did not seem always to understand fully certain aspects of parliamentary procedures in Western countries and by insisting on certain courses which were incompatible with these procedures, they were prejudicing the achievement of the common aims. Canadian representatives have been able to explain the situation and, it is believed, to induce Soviet officials to alter their tactics satisfactorily. This, however, is a rare occasion and, as suggested in paragraph 5 below, such exchanges should be carefully circumscribed.

4. Occasionally also, the Canadian Delegation has played a mediatory role between Soviet and Western positions: this is a more delicate situation and the circumstances in which discussions can be held with Soviet representatives, the scope of such discussions must be determined in each case by the Head of the Delegation.

5. Members of Canadian delegations should assume that any conversation they have with Soviet officials, no matter how informal, will be fully reported to the Soviet authorities concerned. Furthermore, given the nature of their system and of their training, Soviet officials will assume that any statement, information, or opinion, however much its personal nature may be stressed, is given with the prior consent of the competent Canadian officials. In the circumstances, it would seem to be desirable as a general rule for the members of the delegation not to initiate discussions, informal or otherwise, on any official matters with Soviet officials without prior approval of the Head of the Delegation. The scope and the nature of the discussion can then be determined carefully beforehand.

6. If Soviet officials themselves take the initiative of conversations, and there has been no time to obtain prior authorization, it is safe to assume that the action is part of a deliberate scheme fully endorsed by the Soviet Delegation. In such circumstances, as a rule, it is best to listen and merely to undertake to report the views expressed or the suggestions made. As soon as convenient after the conversation, a detailed account should be submitted to the Head of the Canadian Delegation and decisions can then be made as to the proper course to follow.

7. If they have to negotiate with Soviet officials, Canadian representatives must particularly be warned against the impression that where so many experienced Western negotiators have failed before, by a show of good faith and the exercise of ingenuity they will be able to overcome Marxist/Leninist prejudice and achieve man-to-man relationships conducive to positive results. Soviet representatives operate according to rules and on the basis of principles which are substantially at variance with our own. Even if individual Soviet representatives are lovers of good music or fond of their children, for instance, this does not mean that they are incapable of being arrant communists or members of the Soviet Intelligence Service. Their code of honour, their conception of fair play, are part of a scheme of living which is often remote from the normal Western pattern. For this reason, Canadian representatives cannot assume that the norms which would be generally effective in ordinary diplomatic intercourse can be applied to negotiations with Soviet representatives.

8. It should also be borne in mind that any Soviet delegation, in the same way as any Soviet Embassy abroad, is organized for espionage as well as diplomacy. It is quite normal for delegates to have dual roles, one on behalf of the K.G.B. (Committee of State Security, which is responsible for the conduct of the greater part of Soviet intelligence activities abroad), and the other on behalf of the Foreign Office. They are always looking for members of Western delegations who can be helpful to the Soviet Union from an intelligence point of view and individual delegates may be assigned the task of "studying" those who might be developed through other contacts later. Frequently a purely social approach is

used for this purpose; and discussions relating to one's family, salary, etc., may be conducted entirely with the object of studying a delegate with a view to making a more direct approach to him later through other channels. Members of our delegations are encouraged to report incidents which bear on this problem, since we are interested in identifying Soviet delegates who have been assigned an intelligence role.

9. It is unwise to assume that a generous attitude and a willingness to approach an issue in an open-minded fashion will elicit a similar attitude on the part of the Soviet representative. For Soviet negotiators no detail of procedure, no shade of substance is so devoid of significance that it can be abandoned except as a result of a complicated, slow and most deliberate process. They are never inclined to give away anything for nothing. We should therefore do likewise.

10. Soviet diplomats are generally very stubborn, shrewd and able negotiators. They are past masters in procedure and they always have an eye for propaganda effect; infinite patience, a determination to be tenacious, are essential to success in negotiating with them. While an appearance of inflexibility must be avoided, early concessions are often considered by Soviet, and indeed by other negotiators, as a sign of weakness and as an encouragement for additional requests. Usually it is best to start negotiations with both an expendable and a firm position so as to be able to match Soviet concessions and thus encourage progress towards an acceptable compromise.

11. It has been our experience that when discussing with Soviet officials, it is more effective to proceed on the basis of a closely reasoned demonstration of the merits of our case or of a serious weakness in theirs: they seem to be most sensitive to a dialectical approach. Personal appeals and emotional considerations are unlikely to be successful. It must be borne in mind that because of their training, Soviet officials are particularly suspicious of Western representatives; they have generally little room to manoeuvre and they must avoid placing themselves in the position where they might be suspected of sympathy for the West; this accounts often for their rather brusque manner and for their insistence on having a witness for their own side who can corroborate their account of the conversation.

12. In appropriate circumstances and with adequate safeguards as indicated above, members of the Canadian Delegation should be on the alert particularly for any openings from representatives of Soviet "satellite" states. When it is desirable to discuss a particular issue with Soviet representatives, it should not always be assumed that the Moscow representative is the only spokesman for Soviet countries: representatives from the "satellite" states should be encouraged if they display initiative and express their national views. In this respect, recent events in Hungary and Poland may provide new opportunities. Members of the Delegation should report any signs that representatives from these countries are taking independent attitudes in the discussions or in social relations: they should also observe carefully the relations between Polish, Hungarian and other communist representatives. It will also be interesting to note whether Yugoslav representatives are attempting to exercise any leadership among communist delegations. During the Assembly it may be possible to form some impression whether on foreign policy or/and in personal conduct, as a result of recent events, representatives from certain communist countries are in a position to enjoy greater freedom. Any signs of independence on their part may provide openings for useful manoeuvres on the part of Western delegations.

305. DEA/5475-DW-45-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], November 7, 1956

CANADA'S ROLE AT THE ELEVENTH SESSION OF THE GENERAL ASSEMBLY

Misunderstandings and tensions which were restricted in the past to the relations between the East and the West, the Colonial Powers and the anti-colonialist have now become obvious within the Western group itself, as a result of the U.K. and French policy in the Middle East. In the circumstances, it has been necessary for us to take an active and resolute part in U.N. proceedings to help restore Western unity. The urgent need for our initiatives has been understood and welcomed both domestically and abroad.

The need for Canada to continue to play a similar role may be no less great during the Eleventh Session. It would seem that, in any case, constructive interventions on our part will be required as a contribution to the development and maintenance of Western cohesion. Such moves are also likely to be needed if the outcome of their intervention in Egypt is such that the U.K. and France are disillusioned and disheartened and if, as may be likely, their ability to act as leaders of the community of nations is impaired. Such a trend was already noticeable before the Middle East crisis, it may well gain momentum as a result of it. In such a case, apart from contributing to Western unity, we may be called upon to take a very direct interest in promoting understanding and co-operation between the Afro-Asians and the West.

While, undoubtedly, the U.S.S.R. will have weakened its U.N. position through its intervention in Hungary, Soviet recipes for economic development and Soviet determination to espouse anti-colonial causes are likely still to present a formidable challenge. Our task and that of friendly countries will be to attempt to demonstrate that the West has not abandoned its principles nor the objective of improving the spiritual and material lot of the less favoured nations who need all the help and encouragement we can give.

As a matter of fact, in reviewing the various commentaries and instructions prepared during recent weeks for the guidance of the Canadian Delegation at the eleventh regular session of the General Assembly I note a widespread feeling that, in many fields, constructive Canadian action would be of great assistance in restoring United Nations prestige and giving new faith to those who may be inclined to lose hope in the world Organization and its ability to solve problems peacefully. Should the Canadian initiative during the special General Assembly on the Middle East crisis meet with success, it may well provide an excellent basis for other worthwhile suggestions, since our influence will be high and people may be inclined to listen more readily to us.[8]

One of the questions which presumably will be actively discussed is that of self-determination which raises the complex of colonial issues opposing the European Powers to the Asians and the Africans. When these problems come up, we may have a unique occasion to steer the discussions along more positive lines. As we favour self-determination when the circumstances are right, we shall be supporting a U.S. proposal for an analytical study of the whole question of self-determination. Our efforts will be aimed at persuading the anti-colonial countries that this is an essential preliminary to the systematic and orderly solution of colonial problems. The study should not be confined to theory but it should encompass practice also and, if possible, general recommendations as to the best ways of implementing self-determination. In this way, we may help to allay anti-colonialist fears that such study will be merely another device to delay the application of this yet ill-defined principle.

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[8] Note marginale :/Marginal note:
or else they may get tired of listening to us! [L.B. Pearson]

Colonial questions generally are of course closely related to this problem of self-determination, and you have already agreed that in this field we should make an effort, whenever possible, to find compromise solutions and to persuade the countries concerned of the necessity of adopting reasonable attitudes. As you indicated, moves along these lines will be "delicate operations and will have to be very carefully thought out". However, if mistakes and fumblings by our allies remain the order of the day, we have a definite duty to be imaginative in seeking solutions to situations which have so markedly deteriorated in recent weeks.[9]

There are only a few economic items on the agenda, but these are rather important. Last summer's sessions of ECOSOC showed that the under-developed countries were specially concerned with assistance to economic development, and with commodity trade problems. On both of these subjects there were important differences of views: the United States and more particularly the United Kingdom were often placed in a position of isolation from the views of the majority of Delegations. The Canadian Delegations played an active and, I think, a useful role in moderating more extreme views on both sides and in assisting ECOSOC to arrive at decisions which could be given majority support. Instructions have been prepared with a view to encouraging the Delegation to play a constructive role in the economic debates, to take initiatives where these seem useful and in keeping with basic Canadian policy.

With regard to SUNFED, the Delegation could follow up the suggestion you made in your Red Cross speech last spring regarding having the United Nations act as a clearing house for information and statistics on assistance for economic development, and help in working out bilateral assistance programmes.[10] On the SUNFED proposals themselves, the Delegation has been instructed to be forthcoming, bearing in mind the wide differences of views that still exist concerning various aspects of them, and particularly the fact that the United States Government is still reviewing its policy concerning economic assistance. In general, however, the Delegation could lend support to the wider use of the United Nations in the field of economic development.[11]

I am under the impression that there will thus be a continuing need for positive Canadian contribution both to Western unity and to better relations between the West and the Afro-Asians and this, not only in the general political field, but also in the economic and social field and in regard to questions such as the colonial issues and self-determination which in the past we have not considered of substantial and direct concern.

Our policy will, of course, have to be related to the resources available, but our experience during the last two sessions of ECOSOC is that the approach, the attitude, is of major importance and that it can have repercussions out of all proportion to the material investment involved.

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[9] Note marginale :/Marginal note:
I'm afraid so [L.B. Pearson]

[10] Note marginale :/Marginal note:
OK [L.B. Pearson]

[11] Note marginale :/Marginal note:
Let's not get too far ahead of the Dep[artmen]t of Finance [L.B. Pearson]

A more important problem, I think, will be to avoid dispersion of our efforts. In practice, it will be very difficult for us, given our staff limitations, to undertake constructive operations on all fronts where our intervention could be effective and it may be necessary for us to make a choice. I venture to suggest the following priorities:

(a) we naturally have to use our best efforts to promote and consolidate Western unity. This is the most urgent and the most important requirement; if a need arises in this area, we have no choice but to mobilize all our energies to restore the situation;[12]

(b) as between the competing needs which may arise with respect to relations between the West and the Afro-Asians, I wonder whether at this juncture we might not perhaps consider making our main contribution in regard to self-determination along the lines already suggested. Any progress we could make on this issue would yield interesting dividends in colonial affairs. Furthermore, U.K. and French financial problems are such that they are unlikely to be prepared to increase their contributions to U.N. projects for economic developments and the prospects of the revival of the cold war may also very seriously affect the U.S. approach to these problems. It seems therefore that it may be in this area of self-determination (particularly as regards the legal definition and machinery) that, at this time, we might be able to effect our most useful contribution. In fact, what we could do in this field may help in healing the wounds inflicted lately by the U.K. and French operations.

I should be glad to learn whether you agree that, to achieve maximum effect, our Delegation, in the new role it may have to undertake, should concentrate on the issues I have suggested and deploy its personnel accordingly.[13]

J. L[ÉGER]

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[12] Note marginale :/Marginal note:
Yes [L.B. Pearson]

[13] Note marginale :/Marginal note:
Yes — I agree — but we will have to follow the working out of these important ideas very carefully.
L.B. P[earson]

306. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT NO. 221-56 [Ottawa], November [12], 1956

SECRET

GENERAL INSTRUCTIONS FOR THE CANADIAN DELEGATION TO THE ELEVENTH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS[14]

Attached to this memorandum are General Instructions for the Canadian Delegation to the Eleventh Session of the United Nations General Assembly which opens in New York on November 12, 1956.

These instructions provide broad policy guidance on major issues likely to arise at the Session and summarize the position to be taken by the Delegation on the more important items on the Assembly's agenda. Reference is not made to subjects such as West New Guinea and the South African items on which our general position will be the same as that adopted last year,[15] nor to Algeria on which a further submission will be made if, in the light of current developments it becomes desirable to adopt a different position from that taken last year. The final report of the International Law Commission on the Law of the Sea will be the subject of a separate submission.[16]

The undersigned recommends that the attached instructions be approved by the Cabinet.[17]

L.B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

SECRET [Ottawa], November 8, 1956

GENERAL INSTRUCTIONS FOR THE CANADIAN DELEGATION TO THE ELEVENTH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS

The course of the eleventh session of the General Assembly is unusually difficult to forecast since much will depend on the attitude of the 16 new members admitted at the close of the last session and of the three (possibly four) states likely to be admitted early in the new session. Recent events in Eastern Europe, and the effect of the Middle East crisis on East-West relations are factors the impact of which upon the General Assembly cannot readily be assessed in the present confused situation. Two things emerge with reasonable clarity: the session is likely to be rather longer than usual and political and ideological stresses between East and West may well be accentuated to the disadvantage of the West unless means can be found to arrest this process.

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[14] Le 29 août 1956, le Cabinet a nommé respectivement L.B. Pearson et Roch Pinard aux fonctions de président et de vice-président de la délégation canadienne. Pour obtenir la liste exhaustive des membres de la délégation, voir Canada, ministère des Affaires extérieures, *Affaires Extérieures*, vol. 8, N° 12, décembre 1956, p. 404.

On August 29, 1956, Cabinet appointed L.B. Pearson and Roch Pinard as Chairman and Vice-Chairman respectively of the Canadian Delegation. For a complete list of Delegation members, see Canada, Department of External Affairs, *External Affairs*, Vol. 8, No. 12, December 1956, p. 393.

[15] Voir/See Volume 21, Document 1.

[16] Voir/See Document 330.

[17] Approuvé par le Cabinet le 14 novembre 1956./Approved by Cabinet on November 14, 1956.

2. On controversial issues, newly independent and less-developed countries are disposed to vote in bloc opposition to the more advanced countries without adequate consideration of the merits of the arguments put forward; this may provide the Soviet Union with opportunities for the employment of divisive tactics with the object of reducing the West to a minority group within the United Nations. Such issues include those whose substance is essentially political but are susceptible to ideological coloration, those related to the provision of money and facilities for economic development, and questions of self-determination. In all these areas it is necessary to concentrate attention on the merits of the arguments and on the possibilities for constructive action and co-operation according to the relevant circumstances in each case, in order to prevent as far as possible the consolidation of blocs and the comparative isolation of the West. The Canadian Delegation may therefore be called upon as in past sessions to advocate counsels of restraint and moderation, to consult with delegations on both sides of particular issues in the conciliation of differences and, on occasion, although this may be difficult, actively to seek acceptable compromises on both tactics and issues whereby, with goodwill, tensions may be relaxed, a spirit of co-operation may be engendered and divisive debate may be avoided or minimized.

The Representation of Communist China

3. The problem of Chinese representation has arisen at every session of the General Assembly since 1950. A crisis on this question may be expected within the next two or three years as impatience with the intransigence of the United States increases. It is estimated that this year, in spite of the introduction of new factors, the United States will be able to carry its procedural motion to postpone consideration of the question of Chinese representation for the duration of the eleventh session. We have already undertaken to support this procedural motion this year. The main danger in this problem is that the General Assembly may move faster than United States opinion; it might be expected, however, that there will be a gradual realization in the United States that a change in Chinese representation is inevitable. But this realization must not be too sudden if harmful effects, possibly extending as far as United States withdrawal, are to be avoided. The Canadian Delegation is, therefore, instructed to support the procedural motion for postponement with its vote but not to take an active part in the debate.

The Admission of New Members

4. The Delegation should support the admission of the Sudan, Tunisia, and Morocco, all of which have been recommended for admission by the Security Council. The Delegation is also instructed to support the admission of South Korea but, except in very special circumstances, to abstain in the case of South Vietnam because of our position as a member of the International Supervisory Commission on Vietnam.

5. The question of Outer Mongolia may raise difficulties. The Delegation should abstain if there is a vote on Outer Mongolia alone but should avoid taking a position which might prejudice Japan's admission.

Elections

6. The Canadian Delegation should vote for Prince Wan of Thailand for the Presidency of the eleventh session of the General Assembly. In the elections for the Security Council, the Delegation should support Iraq to replace Iran, and Colombia, the nominee of the Latin American bloc, to replace Peru. If, in accordance with the arrangement made between the

Philippines and Yugoslavia last year, Yugoslavia should relinquish its seat in favour of the Philippines the Delegation should vote for the latter on the understanding that Canada remains opposed in principle, pending amendment of the Charter to provide additional seats, to any interference with the present broad geographical allocation of Security Council seats. For the seat to be vacated by Belgium, it is to be hoped that the countries of Western Europe will be able to agree on a candidate as between Sweden, Italy and Spain, in which event the Delegation should support that candidate; failing such agreement the Delegation should vote for Sweden. It is anticipated that a proposal to establish an additional Vice-President position will be introduced at the eleventh session. If this happens the Delegation should support this move and if it carries, vote for Italy for this position, provided it does not run for the Security Council.

Self-determination

7. Three resolutions will be submitted for the consideration of the Assembly. Two of these resolutions originated in the Commission on Human Rights and provide for the establishment of two commissions, the first one to conduct a full survey of the status of the right of people to self-determination including "permanent sovereignty over their natural wealth and resources", and the other to examine and suggest remedies for situations resulting from alleged denials of the right of self-determination.

8. The third resolution was sponsored by the United States, more or less as an alternative to the two above-outlined resolutions, and provides for the establishment of an *Ad Hoc* Commission of five persons which would undertake an analytical study of the whole question of self-determination.

9. We favour the United States resolution although it will probably have to be amended substantially to make it more generally acceptable. The United States authorities have already agreed to widening the terms of reference for the commission they propose, with a view to empowering it to make general recommendations as to the best ways of implementing the right of self-determination in practice. In order to ensure adequate representation for all significant points of view the Delegation may support enlargement of the proposed commission provided the latter is not permitted to become a roving commission or to seek to suggest solutions to particular problems of self-determination.

10. The Delegation should strongly oppose the second resolution proposed by the Human Rights Commission; it is hoped that the first resolution will be dropped in favour of the revised United States resolution.

The Draft Covenants on Human Rights

11. At the tenth session the texts of the preambles and first articles of two Draft Covenants on Human Rights were adopted, although the terms of the articles that dealt with self-determination were opposed by Canada and most Western countries. One of the Draft Covenants deals with civil and political rights; the other with economic, social and cultural rights and, as prepared by the Human Rights Commission, both contain a Soviet sponsored article calling for their provisions "to extend to all parts of federal states without any limitations or exceptions". Unless this anti-federal clause is replaced by a clause which would meet the requirements of federal states, it would seem impossible for Canada to adhere to the Covenants; unfortunately, these clauses will not be discussed until after article by article consideration has been given to the numerous substantive articles preceding them, many of which relate to matters within the jurisdiction of the Canadian provinces.

12. The Delegation should make it clear that while, for constitutional reasons, we are obliged to insist on the eventual inclusion in the Draft Covenants of a suitable federal state clause, we cannot make any commitment to sign the Covenants in final form even if such a

clause is adopted. Nevertheless, subject to this proviso, the Delegation should participate constructively in the discussion of articles which deal with matters wherein the Government of Canada has competence with a view to rendering the drafts broadly acceptable to Canada, but, with respect to articles concerning matters in which the provinces have jurisdiction, should not go beyond giving such support as may seem proper to proposals designed to meet the reasonable requirements of friendly governments.

The Peaceful Utilization of Antarctica

13. India has submitted an item regarding the peaceful utilization of Antarctica which many countries, particularly those with territorial claims in the Antarctic, fear may become the subject of acrimonious and unprofitable debate. Several governments, including Canada (which is concerned about possible future implications for the Canadian Arctic), have made representations to India to this effect, and there are some grounds for hoping that the item will be withdrawn; if it is not the Delegation may either vote for or abstain on inscription depending upon the apparent measure of support for placing the item on the agenda. If it is inscribed, the Delegation may join in supporting the introduction of as innocuous a resolution as possible in the hope that it may be approved with a minimum of debate, and that extraneous controversy regarding conflicting territorial claims may be avoided.

The Togoland Unification Problem

14. The population of this United Kingdom trusteeship territory of Togoland has voted in favour of unification with the Gold Coast when the latter becomes independent next March, and the plebiscite was observed by a United Nations special mission which found it entirely satisfactory. The Canadian Delegation should therefore wholeheartedly support any action taken with a view to terminating as of March 6, 1957 the trusteeship status of British Togoland and for its incorporation into an independent Ghana.

15. In French Togoland, a referendum was held on October 28, 1956 offering the population of this trust territory a choice between continuation of the trusteeship system and a measure of local self-government within the French Union. As a result of the Trusteeship Council's refusal to assent to a French request to that effect, the referendum held on October 28 was not supervised by the United Nations. Since the population favoured the new constitution, it is likely that France will request termination of the Trusteeship Agreement at the forthcoming General Assembly. On this issue, the Canadian Delegation should support the French stand, mainly on legal grounds. However, the Delegation is also being instructed to impress upon the French Representatives the undesirability of adopting an extreme position, should the United Nations refuse to terminate the Trusteeship Agreement.

Special United Nations Fund for Economic Development

16. Instructions to the Delegation assume that the present attitude of resistance of the United States and the United Kingdom to the SUNFED idea will not change during the eleventh session of the Assembly, and that developments in United States policy which may come from current studies being made will not necessarily bring acceptance of the particular SUNFED proposals. The Delegation should use its influence to avoid a situation where the United States and the United Kingdom are placed in an isolated position on this question. The Delegation should carry forward the suggestions put forward by the Secretary of State for External Affairs in an address to the Canadian Red Cross Society last March for having the United Nations act as a clearing house for information about the

plans and policies of all countries with respect to economic development assistance.[18] It should adopt a sympathetic but reserved approach to the SUNFED proposals themselves, being guided by the terms of the memorandum to Cabinet of April 30, 1956, and the reply to a United Nations questionnaire on SUNFED.[19] It should attempt to delay the drawing up of Draft Statutes for SUNFED in the absence of support for such a proposal by the expected major contributors, and should consider suggesting as an alternative, if necessary, broadening the terms of reference of the existing *ad hoc* Committee on SUNFED which was established by the last Assembly to examine member countries' views on the SUNFED proposals.

The Industrialization of Less Developed Countries

17. At its twenty-second session, the Economic and Social Council endorsed proposals made by the United Nations Secretariat for studies in the field of industrialization. The Assembly will be required to approve the expenditure involved (estimated at $100,000). The Canadian Delegation is instructed to express sympathy for the efforts of less developed countries to diversify their economy, to caution against undue enthusiasm as to what can be achieved as a result of United Nations studies, to satisfy itself that the projects will be of practical value and correspond to the actual requirements of the countries concerned and that the programme as a whole is warranted, given the resources available and the relative priority of other projects. There is considerable pressure for United Nations studies in the field of industrialization and the Delegation should attempt to confine the programme within reasonable proportions and to projects of practical value.

Expansion of United Nations Organs

18. *Security Council*: The Delegation should be prepared to support a resolution calling for enlargement of the Security Council by two non-permanent seats, one for Asia and the other for Western Europe, but should not co-sponsor it initially. However, if a very wide measure of approval develops for this proposal among Asian as well as Latin American and Western European countries, the Delegation may join in co-sponsoring for the purpose of sustaining pressure on India and the U.S.S.R. to accept it.

19. *ECOSOC*: Any enlargement of ECOSOC should preferably be in multiples of three. Provided there is wide support for the expansion of ECOSOC, the Delegation should support an increase of six seats as the best means of preserving the present voting balance in the Council.

20. *International Law Commission*: Canada does not favour enlargement of this body, but if such a change commands wide support, the Delegation should support an increase of six in the membership of the Commission, as the best means of maintaining the present voting balance in the Commission.

21. *International Court*: As the number of states in the United Nations has no bearing on the size of the Court, the Delegation should oppose any increase in its size.

Cyprus

22. The United Kingdom may not oppose inscription of the Greek item, having themselves submitted a counter item on Greek support for terrorism in Cyprus, and both items are likely to be inscribed without debate. If, however, there is opposition to inscription on

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[18] Voir Canada, ministère des Affaires extérieures, *Affaires Extérieures*, vol. 8, N° 4, avril 1956, pp. 110-113.
See Canada, Department of External Affairs, *External Affairs*, Vol. 8, No. 4, April 1956, pp. 102-105.

[19] Voir les documents 353-355.
See Documents 353-355.

the part of "old" Commonwealth countries, the Delegation could abstain. If these items are placed on the agenda, the Delegation should support both of them being taken up together late in the session in the hope that by then progress will have been made towards a negotiated settlement.

Administrative and Budgetary Questions

23. The Secretary-General's estimates for 1957 are approximately $685,000 higher than those for 1956 adjusted for purposes of comparison. The Delegation should give due weight to the recommendations of the Advisory Committee for a total reduction of some $354,000 in these estimates and encourage the Secretary-General to implement them to the fullest extent practicable. Every effort should be made to secure the election of the Canadian candidate (S. Pollock) to the Committee on Contributions.

SUBDIVISION II/SUB-SECTION II

REPRÉSENTATION DE LA CHINE
REPRESENTATION OF CHINA

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307. DEA/5475-EJ-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM PITEL-10 Ottawa, August 10, 1956

SECRET

Repeat Paris, Permis NY, Congen NY, NATO Paris and Washington (Information).
By Bag all other Missions.

CHINESE REPRESENTATION IN UN

Background

Our High Commissioner, London, reported July 10 that the US has asked the UK for early agreement to a further moratorium on the Chinese representation issue at the forthcoming session of the General Assembly, and that the Foreign Office has recommended to Cabinet that it agree to a moratorium for the whole of the eleventh session.

2. Since the State Department may have it in mind to make a similar approach to Canada on this issue, we have considered what response we should make to such an approach.

Canadian Views

3. At the White Sulphur Springs meeting, the President and the Secretary of State were made aware that Canada would not occasion any difficulty over Chinese representation in the U.N.,[20] at least until after the presidential elections; this did not constitute a commitment with respect to the forthcoming session of the General Assembly which will not meet until after the election.

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[20] Voir Volume 23, Chapitre premier, 1ère partie.
See Volume 23, Chapter 1, Part 1.

4. Approval by the British Cabinet of a further moratorium would seem to make it difficult for us as a country which does not recognize Communist China, to adopt a more divergent attitude than the UK which maintains diplomatic relations with Peking. Moreover, the appointment of Senator Knowland to the US Delegation to the next session of the General Assembly seems clearly to presage continued strong resistance by the US to review of the question of Chinese representation at the forthcoming session. Full discussion of the issue might be expected not only to embitter and disrupt proceedings within the UN, but also to produce a violent reaction in the US itself which might well find expression in intemperate criticism of the UN and opposition to less controversial aspects of its work with a consequent weakening of the general western position. While another moratorium may place a further strain on relations between East and West, there does not appear to have been any change in the situation since the last session that holds out any reasonable hope that the United States will be prepared to alter its position towards the issue in the near future.

5. At the Tenth Session 42 members voted in favour of the moratorium, 12 voted against it, and 6 abstained. Mr. Menon has stated that at the 11th session India will "fight" the moratorium resolution, but that he believes the US will succeed in putting it through. It is likely, however, that the proportion of votes in support of a moratorium at this session will be lower than last year. In itself the change in voting proportions will no doubt have a salutary effect on the United States and might go far towards persuading it to reconsider its policy before the twelfth session without there being any requirement for us to alter our position.

6. On the other hand an attempt by us to anticipate such a development by refusing to make a commitment for the next session might well react to our disadvantage, cause the United States to increase their efforts to obtain support for a moratorium and adversely affect our relations with them without achieving any more positive result.

7. If we were to decline to make a commitment we should, of course, be free to abstain whenever the matter came to a vote and thereby adopt a position of apparent neutrality. This, however, would scarcely be consonant with our accepted policy of not taking a "leading position" in this controversy, since a change on our part from support to abstention would attract a good deal of attention; it could be expected to be taken as serving public notice that we were at odds with the US on the whole Chinese issue and would undoubtedly arouse resentment in the US, where there may well be lively recollections of the pressures to which we exposed them as a result of our initiative for the admission of new members. It would probably also stimulate a rash of speculation at home and abroad that we were preparing to recognize the Peking Government.

8. On balance we believe it will be to our advantage to continue to stand with the United States on this issue at the 11th Session. This will not, of course, preclude our reminding them of our misgivings over the continued exclusion of Communist China from the UN and of our expectation that a more positive approach to the problem cannot be deferred much longer.

9. If the State Department decides to approach us on this matter we shall delay our reply, in the knowledge, however, that ultimately we will concur in a further moratorium for the duration of the Eleventh Session of the General Assembly. It is hoped that our apparent reluctance to commit ourselves in advance will in itself give some notice that we are no longer as reconciled as in the past with the moratorium arrangement.

USE: The contents of this telegram are strictly for your personal and private information.

308.

DEA/5475-EJ-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 648

New York, August 15, 1956

SECRET

Repeat Washington (Information).

CHINESE REPRESENTATION IN UN

We have noted with interest the substance of PITEL 10 of August 10 that Canada will go along, although reluctantly, with the USA moratorium. We should like to offer one or two comments having in mind the work and the effectiveness of this Mission and of the Canadian Delegation to the Eleventh Session.

2. With this in mind and with reference particularly to our relations with the USA Delegation, there seems little to be gained from going through a period of pretending that we are undecided whether to support the moratorium at the Eleventh Session. Since we intend to support the USA in the end, might it not be better to be forthright about the issue on which the USA position is less inflexible and where there is consequently greater scope for the Canadian Delegation to make a useful contribution. If we try to keep the USA Mission guessing until the last moment about our attitude on Chinese representation, they are almost certain to be less forthright with us on other issues coming before the next session. The net result might be that we achieve nothing with respect to Chinese representation, since we intend to support the moratorium when it comes to the vote, and we reduce the possibility that we may influence the USA on other questions.

3. We wholeheartedly agree that our reluctance in this matter should be brought home to the USA in the hope that it might have the desired effect on USA thinking about Chinese representation. The main suggestion in this telegram relates to method. We think that Canada's attitude toward the moratorium could be emphasized positively in a frank and forceful explanation of position. This would, it is true, reassure the USA that Canada is prepared for the sake of Western solidarity to give its support for another moratorium but it would also put the USA on notice that we have adopted this position with increasing and we think well founded misgivings. Moreover, by frankly stating our position we would encourage the USA to reciprocate on this and, more important in our view, on other issues.

4. The alternative method, a delay in stating our position, could work to the disadvantage of the Mission and latter of the Assembly Delegation. It is our impression that the differences which arose between the USA and Canadian Delegations at the last Assembly have produced some coolness towards us on the part of USA officials here, at least on political subjects. This naturally prompts us to be wary about playing hard to get on an issue on which the USA is so sensitive and on which Canada has already decided to give USA support, however reluctant.

5. The last sentence of the PITEL indicates that we may not make any use of this restatement of policy. Although it may be difficult to contrive, it would be useful for the Permanent Mission to have as well a statement of Canadian views which could be used at least in informal conversations with friendly delegations (I have in mind India as well as USA)

during the period of exchanging views which precedes every session of the General Assembly. In preparing such a statement you may wish to consider the views expressed in this telegram.

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309. DEA/5475-EJ-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to United Nations

TELEGRAM V-386 Ottawa, August 29, 1956

SECRET

Reference: Our PITEL 10 and your Tel 648.
Repeat Washington, London, Paris, NATO Paris (Information).

CHINESE REPRESENTATION IN U.N.

There are two related problems in dealing with a possible United States approach to this issue.

2. First, how long do we delay advising the United States, if we are approached, that we propose to go along with the moratorium? It was not our intention to suggest that the delay would be very long and that we would keep the United States guessing until the very last days before the issue was raised in the Assembly. Apart from the objections outlined in your message, if we are in the end to give our support, too long a delay may give the impression that the United States can get us to rally to any of their views if they apply enough pressure. Our thought was merely that we should not immediately agree when we are approached but that we should take a few days at least before committing ourselves: we would wait long enough to establish that we had to make an effort but not so long as to enable the Americans to lay seige and to have grounds to believe that we have yielded to pressure. Such a tactic is more likely to lend plausibility to the positive and frank explanation you suggest in paragraph 3 of your message under reference.

3. A second problem is involved in the degree of support we should give the USA on this issue should there be an Assembly discussion. It seems to me that, to be consistent, if we agree with same reluctance to another moratorium, we shall have to be restrained in our support and either abstain from making a statement or make a somewhat cautious one. This will depend of course on the trend of the debate: if there appeared to be a risk that the moratorium might be defeated, we might have to review our position.

4. In the circumstances, at this stage in informal conversations with friendly delegations, it can merely be said that the problem is under consideration and that we have some doubts about the mechanical solution provided by the moratorium formula. When we have discussed the matter with the USA and made our views known to them, the line will have of course to be revised, but again it seems to me that we should have to explain frankly our reservations in supporting the USA in discussions with the representatives of certain countries.

L.B. PEARSON

310. DEA/5475-EJ-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], September 4, 1956

ADMISSION OF CHINA TO THE UNITED NATIONS

When Mr. Heeney was speaking to me on the telephone on September 1, about another matter, he referred to our telegram No. V-386 of August 29, to the Mission in New York, concerning the attitude we should adopt to the United States when it proposed a moratorium. Mr. Heeney had spoken on the telephone to Mr. Pearson about this and Mr. Pearson had agreed with him that it was not advisable for us on the whole to follow a "coy" policy. If we intended to go along with the moratorium (and we had, in fact, no alternative), then we should tell the Americans straightforwardly that we would agree with them and gather whatever kudos we could from this agreement. You will recall that Mr. Pearson spoke along the same lines when we saw him on August 30.

I explained to Mr. Heeney that it had not been our intention to play coy. We had not as yet received any requests for support from the U.S. and it seemed to us that we ought not to give an impression of enthusiasm by rushing our agreement. It was essential that the Americans not assume that they could count on support from their friends for such proposals indefinitely. It was particularly important that they should realize the difficulties they would face in the future and take this into consideration when planning their policy. Mr. Heeney agreed that we should make this point clear to the Americans but he suggested a different method of doing so which I think has a great deal to recommend it. Mr. Heeney agreed that when the Americans asked for our support we should send him a message asking him to tell the Americans frankly our position. We would agree without further hesitation to support the moratorium but he would explain our doubts on the wisdom of the policy and our belief that such a policy could not be continued much longer. Mr. Heeney spoke of seeing either Mr. Dulles or Mr. Murphy.

It seems to me that this would be an excellent way to deal with the subject. We could get some credit from the Americans for loyalty and at the same time we could explain to them our misgivings much more effectively than in any other way. If you agree with this policy we shall, when the time comes, prepare a telegram to Mr. Heeney for your consideration.[21]

J.W. H[OLMES]

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[21] Note marginale :/Marginal note:
This seems sound to me. R.M. M[acdonnell]

311. DEA/5475-EJ-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 1964 Washington, October 31, 1956

CONFIDENTIAL
Reference: Your Tel V1409 Oct 27.†
Repeat Permis NY, London, Paris, NATO Paris (Information).

BRIEF FOR CANADIAN DELEGATION TO GENERAL ASSEMBLY — CHINESE REPRESENTATION

If we are planning in any event to support the moratorium resolution, I think as I said to you by phone on August 31 that there would be advantage in our informing State Department to this effect now on our own initiative. We should thereby get some credit for taking this decision without pressure and more attention may be paid to any misgivings we may express about the continued exclusion of Communist China from the UN.

2. Policy outlined in your V386 of August 29 was presumably based on the assumption that State Department would be making an early attempt to secure our support for the moratorium resolution. USA has not yet approached us presumably in expectation that we will support the moratorium or at least that we will not withhold support without giving them reasonable advance notice. In discussing question of Chinese representation at UNESCO conference (reference our telegram 1881 of October 20†) we were at some disadvantage in not being able to allude to our position on the moratorium resolution in the General Assembly. This subject is going to be progressively more difficult to avoid and, in the circumstances, I see little advantage in waiting longer to be approached by USA. At this late stage the delay tactic suggested in paragraph 2 of your V386 is unlikely to be convincing.

3. These observations take on further point from the request to us (your telegram V1409 of October 27†) to discuss outstanding agenda items for the next session of the Assembly at the official level here (paragraph 2 of your telegram under reference refers). It would be helpful if this matter could be cleared up at the same time and we hope to begin conversations with State Department officials on the agenda in the next two or three days.

[A.D.P.] HEENEY

312. DEA/5475-EJ-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM V-1428 Ottawa, November 5, 1956

CONFIDENTIAL. IMPORTANT.
Reference: Your Tel 1964 October 31, 1956.
Repeat London, Permis NY, NATO Paris (Information).

CHINESE REPRESENTATION

An aide-mémoire left with us on October 29 by an officer of the United States Embassy here contains a review of the US Government's tentative position on a number of items, including Chinese representation, to which it refers in the following terms:

"The US shall continue actively to oppose any efforts designed to change the representation of China in the General Assembly. The United States shall take the position that the Assembly should decide not to consider any proposals designed to exclude the representatives of the Government of the Republic of China and/or to seat Chinese Communists."

2. In the circumstances, I agree that you should now let the State Department know that we have considered their position on this issue and are prepared to support another moratorium provided that, along the lines of last year's resolution postponement of consideration is limited to the regular session of the Eleventh Assembly. At the same time it should be pointed out that we are not — repeat not — contemplating taking part in any debate there may be on the subject.

3. You might then go on to explain our view that they should not count on indefinite continuance of support from their friends for such proposals, and that we foresee breakers ahead next year; we would hope therefore that they would take account of these difficulties when planning their future policy on this issue. In particular you might make the following points:

(1) Countries are once more beginning to extend recognition to the Central People's Government, and this factor, taken in conjunction with the enlarged membership of the United Nations, including many states which have already recognized the Peking régime, may be expected to frustrate attempts to hold the present line in the Assembly a year from now.

(2) One effect of the present Middle Eastern crisis will no doubt be to consolidate the Arab-Asian Bloc and consequently increase pressure for seating representatives of the Peking Government in the United Nations. Relations between East and West are likely to be exacerbated — in our view without adequate compensatory advantages — by what they will regard as a stubborn refusal to recognize the political facts of life.

(3) The interest of Canada, and presumably also that of the United States, in fostering the development of the United Nations into an effective instrument for the realization of the aims set forth in the Charter argue strongly for making it as universal as possible in membership. The denial of representation in the U.N. to the effective government of one-fifth of the people of the world is not only a source of weakness *per se* to the United Nations but

introduces stresses into the organization which further complicate and undermine much of its work.

4. In view of the heavy preoccupation of the Acting Secretary of State and Senior Officers of the State Department with the Middle East and Eastern Europe I leave it to you to decide what level the approach on this subject should be made.

[J.] LÉGER

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313. DEA/5475-EJ-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 2037 Washington, November 8, 1956

CONFIDENTIAL

Reference: Your Tel V1428 Nov 5.

Repeat London, Paris, NATO Paris, Permis NY (Information).

CHINESE REPRESENTATION

I saw Walter Robertson this morning and informed him of our decision to support the moratorium along the lines of last year's resolution provided that postponement of consideration is limited to the regular session of the Eleventh Assembly. Robertson said he had hoped we would do so and expressed appreciation for our having reached this decision and informing him of it. He said that the USA intention was that the moratorium should apply for the entire Eleventh Session of the Assembly and any difference in the wording of this year's moratorium resolution from last year's would simply reflect the fact that the Eleventh Session would run beyond the end of the calendar year.

2. I also expressed our misgivings about the moratorium approach to this problem in the future along the lines suggested in your paragraph 3. These considerations, of course, carried no weight with Robertson, who expressed himself in the same uncompromising terms on this subject with which you are familiar. He recalled the three congressional resolutions on this subject as evidence of full congressional and public support for the USA Government's attitude towards Chinese representation in the UN. When I asked him what the attitude of the USA Government would be if the number of governments supporting Communist Chinese membership were to increase to a point where the barrier against them could no longer be held, he said they presented no problems so far as the USA was concerned: if the General Assembly were to vote in favour of Communist Chinese membership, the Administration would be faced immediately with a unanimous demand by Congress for action to take the USA out of the UN.[22]

[A.D.P.] HEENEY

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[22] La résolution des États-Unis en matière de moratoire a été adoptée à l'Assemblée générale le 16 novembre par un vote de 47 (Canada) contre 24, et de 8 abstentions. Le Canada n'a pas participé au débat.
The U.S. moratorium resolution was adopted by the General Assembly on November 16 by a vote of 47 (Canada) to 24 with 8 abstentions. Canada did not participate in the debate.

SUBDIVISION III/SUB-SECTION III

DROIT DE LA MER
LAW OF THE SEA

314. DEA/10600-40

Note du chef du Comité du Cabinet sur les eaux territoriales pour le Cabinet

Memorandum from Chairman, Cabinet Committee on Territorial Waters, to Cabinet

CABINET DOCUMENT NO. 53-56 Ottawa, March 2, 1956

SECRET. CANADIAN EYES ONLY.

CANADIAN POLICY ON TERRITORIAL WATERS AND THE CONTINENTAL SHELF

In 1952 the Interdepartmental Committee on Territorial Waters began a general study of Canadian territorial waters and continental shelf problems having regard to certain international and domestic events that had taken place since the last general study in 1937. The principal new events were the following:

(a) *The Union of Newfoundland with Canada*

Shortly before the Union of Newfoundland with Canada the Prime Minister stated in the House of Commons on February 8th, 1949:

> "We intend to contend, and hope to be able to get acquiescence in the contention that the waters west of Newfoundland constituting the gulf of St. Lawrence shall become an inland sea. We hope, that with Newfoundland as a part of Canadian territory, the gulf of St. Lawrence west of Newfoundland will all become territorial waters of Canada, whereas before there would be only the usual off-shore portion that would thus become part of the territorial waters. Of course that is a matter which is not governed by statutes; it is governed by the comity of nations. It is our intention to assert that position and it is our hope that it will be recognized as a valid contention."
>
> (Hans., Can., Feb.8, 1949, at p.368)

Also, during the negotiations for Union in 1948, in response to an enquiry by the Newfoundland delegation, the following answer was given on behalf of Canada:

> "With respect to the establishment of territorial waters it is our understanding that the "headland to headland" rule, as it now applies to Newfoundland, will continue to apply."

(b) *The Anglo-Norwegian Case*

The decision of the International Court of Justice in the Anglo-Norwegian Fisheries case in 1951 upheld the Norwegian "baseline" system. Norwegian territorial waters are measured, not from the coastline but from baselines drawn between promontories and islands along the coast. It was indicated that in certain circumstances this was a proper way of delimiting territorial waters. The decision has led to a re-examination of territorial waters by many countries.

(c) *The Continental Shelf*

In 1945 the Government of the United States by proclamation, inaugurated a new era by claiming jurisdiction over the continental shelf off the shores of the United States to its outermost seaward limit.

(d) *Work by the International Law Commission*

The International Law Commission has for some time been considering and seeking the views of states on a territorial waters and a continental shelf doctrine. Draft articles have been circulated to the various states, including Canada, for study and comment.

On the recommendation of the Interdepartmental Committee in 1952 the Government retained Mr. G.F. Curtis, Dean of the Faculty of Law, University of British Columbia, to prepare a memorandum setting out the present position of international law governing territorial waters and examining the manner in which it could best be applied to Canadian waters, taking into account such statements or declarations of policy as may have been made in the past. This memorandum includes a survey of the international legal position, the results of a close study of policy in relation to Canadian and Newfoundland waters, a technical comparison of the physical characteristics of the Canadian and Norwegian coasts and an economic survey of fishing and other activities on the Canadian coast. A summary of the memorandum† (apart from the technical annexes) is attached hereto.

In the course of its study the Interdepartmental Committee sought information and advice from the Departments of External Affairs, Fisheries, Mines and Technical Surveys, National Defence, National Revenue, Northern Affairs and National Resources, Transport, Justice, the Canadian Maritime Commission and the Royal Canadian Mounted Police.

On November 16, 1955, the Cabinet agreed that a Cabinet Committee consisting of the Secretary of State for External Affairs, the Minister of Fisheries and the Minister of Northern Affairs and National Resources, together with such other Ministers as might wish to attend, be established to consider policy on territorial waters questions and recommendations that would be submitted on this matter by officials studying the problem. The Committee met on December 6, 1955 and February 28, 1956.

I. TERRITORIAL WATERS

The expression "territorial waters" is ambiguous. In exact use it comprises both the sea areas enclosed by land formations to which the term "inland waters" in strictness applies; and also the marginal belt lying seaward from the coast and the closing lines of inland waters concerning which the expression "territorial sea" is more apt.

(a) *Baselines*

[Paragraphe non déclassifié./One paragraph was not declassified.]

(b) *Breadth of the Territorial Sea*

Up to the present time it has been Canada's policy to regard the three mile limit as being applicable to Canada. There is no international agreement on a uniform limit, and the International Law Commission has so far been unable to reach agreement on the point. Beginning in April the Commission is again considering the matter in an effort to decide on an agreed draft article.

The United Kingdom and the United States are traditionally opposed to any limitation on the freedom of the seas, particularly to an extension of the breadth of the territorial sea beyond three miles. Other countries however, particularly since the close of the war, claim wider limits, variously fixed at 4, 6 and 12 miles, the 12 mile limit being claimed by the Soviet Union and its satellites among others.

Canada, as a possessor of extensive coastal fisheries on the Atlantic and Pacific coasts, does not share the interests of the United Kingdom and United States in narrowing the territorial sea to three miles. On the Canadian Atlantic seaboard it is necessary in the interest of fishery conservation to restrict fishing by Canadian draggers to areas beyond a 12 mile limit, but as matters now stand foreign draggers are permitted to fish up to the three mile limit.

Canadian fishing interests, therefore, would best be served if the breadth of the territorial sea was 12 miles. However, for Canada this is an ultimate goal, and as the matter is still a subject of international discussion and as the United States and United Kingdom are actively resisting claims to limits beyond three miles, it would appear advisable for Canada to await international developments. After the results of the discussion in the International Law Commission are known, the Canadian position should be reviewed and a decision then made regarding what steps Canada should take.

[Quinze paragraphes non déclassifiés./Fifteen paragraphs were not declassified.]

II. THE CONTINENTAL SHELF

Canada has never made any formal international claim to the continental shelf lying off the Canadian coast. Generally speaking, the shelf on the east coast is quite extensive. On the Pacific coast the shelf is much narrower and in some places is less than a mile in width. The International Law Commission has circulated for study by states a draft article which, in the interests of attaining uniformity throughout the world, suggests fixing the seaward limit of a nation's shelf at the point where the water over the shelf reaches a depth of 100 fathoms. Such a role would be quite undesirable for Canada because the 100 fathom mark is reached in places on both the east and west coasts of the mainland at points well within the continental shelf as clearly defined by nature.

It appears to the Committee that the placing of an arbitrary depth limit on the shelf as proposed by the Commission is contrary to the whole shelf principle and the premise on which the doctrine rests. On the other hand, in some parts of the world it is difficult to determine limits of the shelf. It would seem that Canada should advocate that a littoral state should have the right to explore and exploit the natural resources of the seabed and subsoil of the whole shelf lying off the coasts of that state to the point seaward where the shelf plunges into the ocean depths, but that, where the outer edge of the shelf is ill-defined, a depth limit might be set such as the 100 fathom mark. Virtually the entire shelf off Canada, except in certain Arctic areas, is clearly defined and this approach would give Canada rights to the entirety.

The Department of Mines and Technical Surveys has prepared a scientific description of the shelf, together with a chart showing the actual shelf and also the limits of Canada's rights under the Law Commission's 100 fathom rule. As discussion on this doctrine will come up at the United Nations almost certainly in 1956, it is necessary that Canada's policy in this respect be decided as soon as possible.

It is not recommended that Canada make any formal claim to the shelf at the present time along the lines of the United States 1945 proclamation. Under the continental shelf doctrine as proposed by the International Law Commission, Canada would acquire rights to the shelf in any case, and our position would not be strengthened if any claim were put forward at the present time.

SUMMARY OF RECOMMENDATIONS

In detail it is recommended that the following decisions be taken at this time.

[Quatre paragraphes non déclassifiés./Four paragraphs were not declassified.]

(e) To decide in principle to the extension of the breadth of the territorial sea to 12 miles as an ultimate goal, but to await the outcome of the deliberations of the International Law Commission on this question at its forthcoming session in April before determining how this policy might be implemented.

[Deux paragraphes non déclassifiés./Two paragraphs were not declassified.]

Continental Shelf

(h) To make no formal claim to the continental shelf pending the outcome of discussions in the United Nations.

(i) To adopt the position that a littoral state should have the right to explore and exploit the natural resources of the seabed and subsoil of the continental shelf to the point where it plunges into the ocean depths, but where the outer edge of the shelf is ill-defined, to agree to the limit being set at the 200 meter mark.

JEAN LESAGE

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315. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], March 8, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Revenue (Dr. McCann),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).

The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

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TERRITORIAL WATERS AND THE CONTINENTAL SHELF; POLICY

7. *The Minister of Northern Affairs and National Resources*, as Chairman of the Cabinet Committee on Territorial Waters, submitted a report and recommendations on future policy respecting territorial waters and the continental shelf.

An explanatory memorandum had been circulated.

(Minister's memorandum, Mar. 2, 1956 — Cab. Doc. 53-56)

8. *Mr. Lesage* suggested that discussion on the report be deferred until the following week.

9. *The Minister of Public Works*, who expected to be away that week, felt the recommendation on the breadth of the territorial sea was too weak. Nova Scotian opinion strongly favoured the 12 mile limit and, while this could probably not be achieved, particularly as the United Kingdom and the United States were opposed, nevertheless, it should be asserted at the appropriate time.

10. *The Cabinet* deferred consideration of the report of the Cabinet Committee on Territorial Waters dealing with future policy on territorial waters and the continental shelf.

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316. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], March 15, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Health and Welfare (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).

The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

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TERRITORIAL WATERS AND THE CONTINENTAL SHELF; POLICY
(PREVIOUS REFERENCE MARCH 8)

17. *The Minister of Northern Affairs and National Resources* reviewed briefly the recommendations of the Cabinet Committee on Territorial Waters. These included the following:

(a) To adopt, in principle, for Labrador and parts of Newfoundland the Norwegian baseline system for delimiting the territorial sea.

[Paragraphe non déclassifié./One paragraph was not declassified.]

(c) If (a) and (b) were accepted, to inform the United States initially, and then the United Kingdom and France after which new maps showing these changes would be published.

[Paragraphe non déclassifié./One paragraph was not declassified.]

(e) To extend, in principle, the breadth of the Canadian territorial sea to 12 miles.

[Paragraphe non déclassifié./One paragraph was not declassified.]

(g) To await United Nations discussion before making any claims to the continental shelf, but to take the position that a littoral state should be able to exploit the resources of the seabed and subsoil of the continental shelf to where it plunged into the depths and to agree to a limit at the 200 metre mark where the outer edge was ill-defined.

The point made by Mr. Winters previously about the 12 mile limit of the territorial sea had been met in the original recommendation.

Negotiations on all these questions would be difficult and delicate. The main Canadian complaint at present had to do with foreigners fishing inside the 12-mile limit. On this matter Canadian interests ran directly counter to those of the U.K. and U.S. who favoured the 3-mile limit. It was of interest to note that at a recent meeting of 21 nations, all except the U.S. favoured a minimum limit of 12 miles. It would probably turn out that in the International Law Commission and at the U.N. itself a large majority would be in favour of a limit of 12 miles or more.

18. *During the discussion* the following points emerged:

[Deux paragraphes non déclassifiés./Two paragraphs were not declassified.]

19. *The Cabinet* approved the recommendations of the Cabinet Committee on Territorial Waters for future policy on territorial waters and the continental shelf.

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317. DEA/10600-B-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

[Document non déclassifié./This document was not declassified.]

318. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], August 10, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of National Health and Welfare and
Acting Secretary of State for External Affairs (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Minister of Justice (Mr. Garson),
The Minister of Finance (Mr. Harris),
The Minister of Fisheries and Acting Minister of Public Works (Mr. Sinclair),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

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TERRITORIAL WATERS; POLICY

16. *The Minister of Northern Affairs and National Resources* said the Cabinet Committee on Territorial Waters had felt some time ago that there would be no point in advising the United States of the government's decision to adopt the Norwegian baseline system for the coast of Labrador and the east and south coasts of Newfoundland and to claim the Gulf of St. Lawrence as Canadian inland waters, because reports had been received from Washington that, at least until the U.S. elections, a very negative reaction could be expected to any approach concerning the gulf. Subsequently, in response to questions in the house, the Prime Minister had indicated in general terms the government policy on the adoption of the Norwegian baseline system and the extension of the breadth of the territorial sea to 12 miles as an ultimate goal. Both the United Kingdom and the United States had a very active interest in these two questions.

The Minister, with the concurrence of the Secretary of State for External Affairs, recommended that the U.K. and U.S. governments be advised officially of the Canadian position in the fairly near future. This should be done, however, on the basis that these two policy decisions were simply the most immediate and urgent that had to be taken in preparation for the meeting of the United Nations, and that study was continuing of other aspects of Canadian territorial waters policy. Thus it would be possible to avoid saying anything at this time about the Gulf of St. Lawrence without giving an impression that there were no other questions of policy to come up later.

An explanatory memorandum had been circulated.

(Minister's memorandum, Aug. 3, 1956 — Cab. Doc. 167-56).†

17. *The Cabinet* noted the report of the Minister of Northern Affairs and National Resources on Canadian territorial waters policy and agreed,

(a) that decisions of policy already approved be adhered to as setting forth the objectives that the government wished to achieve;

(b) that between now and the meeting of the United Nations, the U.S. and the U.K. governments be advised officially of the Canadian decision to support, during the discussion of the report of the International Law Commission in the United Nations, the adoption of the straight baseline system for the measurement of territorial waters as approved by the International Court of Justice in the Anglo-Norwegian Fisheries case and of the 12-mile limit for territorial waters; and,

(c) that nothing be said to any government about the Gulf of St. Lawrence until there had been an opportunity to assess the discussions at the meeting of the United Nations and developments in the United States attitude thereafter.

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319. DEA/10600-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM L-1222 Ottawa, August 13, 1956

CONFIDENTIAL

Reference: Your tel 1481 Aug 11/56,† and our letter 1018 Aug 9.†

TERRITORIAL WATERS

Cabinet has now approved the memorandum (of August 3) attached to my letter under reference.

2. While we assume initiative in talks Wednesday will be left to your interlocutor, it will be in order for you (as agreed in Cabinet decision) to inform Elbrick, if necessary in the course of your conversation, that, following up the Prime Minister's statement in the House of Commons on July 30, the Canadian Government intends to support in the UN (when International Law Commission's recommendations on various aspects of international law of the sea comes up for discussion) the adoption of a twelve-mile limit for the territorial sea. You may explain that Canadian sentiment, particularly in coastal regions, is strongly in favour of a moderate extension of the territorial sea; furthermore, international sentiment seems to favour an extension of the territorial sea. Since, as the International Law Commission has inferred, international law does countenance a breadth for the territorial sea of twelve miles, such a limit generally agreed to might form a basis for a solution to the now vexing problem of states rights in adjacent seas.

3. If Elbrick enquires about our position on baseline system you may also say that, in line with the decision of the International Court of Justice in the Anglo-Norwegian fisheries case and the recommendation of the International Law Commission, we also intend to take the position that the so-called straight baseline system be employed for computing the seaward limit of the territorial sea in appropriate cases.

4. So far as we are aware the only approaches received from the United States Embassy in Ottawa on this matter were those reported in my teletypes 4209 of August 9† and 1176 of August 1†. We would be anxious of course to see your report by teletype of the views

entertained by State Department on Canadian position in regard to territorial waters as revealed by Elbrick's conversation with you.

320. DEA/10600-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 1525 Washington, August 17, 1956

SECRET. CANADIAN EYES ONLY.

Reference: My telephone conversation with the Under-Secretary on August 16.
Repeat Permis NY (Information).

TERRITORIAL WATERS

As I indicated in yesterday's telephone conversation with the Under-Secretary (and as you will see from my following telegram on my interview with Burke Elbrick on territorial waters) it was clearly evident from what USA officials said yesterday that the announcement of Canada's intentions with respect to territorial waters at the coming UN Assembly has caused the USA Government very serious concern. What they are especially disturbed about (and what has caused deep disappointment among USA officials) is the lack of advance consultation between our two governments prior to the Canadian announcement.

2. We should, in my opinion attach the highest importance to advance consultation with the USA in these matters, not only because of our traditional relationship with them and their legitimate interest in Canada's position, but also because of the possible effects that developments in this sensitive area will have on our general relations with the USA. Specifically I am worried about the possibility that recent developments may create difficulties in the way of satisfactory settlement of the many and important boundary waters problem now outstanding between the two countries. I need mention, as examples, only the important negotiations that are anticipated concerning waters flowing across the international boundary[23] and the vexing and difficult problem of dredging near Cornwall Island.[24]

3. Although the situation created by our announcement was serious enough as of yesterday morning, I was fairly confident then that it could be corrected with some conscientious efforts on our part. Now, however, having seen on the Associated Press wire and in this morning's *Washington Post* a story from Ottawa (attributed to "authorities" and "officials") that Canada plans to claim the Gulf of St. Lawrence, Hecate Strait and other areas as Canadian waters, I am again disquieted about the effect of these developments on our relations with the USA. In the first place, in my opinion, State Department officials would have considerable justification if they were to think that I was somewhat less than frank in my conversations with them yesterday morning. This, of course, is a matter of some importance for the future conduct of business between the State Department and this Embassy. But what is perhaps even more serious in my view, is that the USA will suspect that without the advance consultation to which they feel entitled, the Canadian Govern-

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[23] Voir Volume 23, Chapitre premier, 5e partie.
See Volume 23, Chapter 1, Part 5.

[24] Voir Volume 23, Chapitre premier, 3e partie, section c.
See Volume 23, Chapter 1, Part 3, Section C.

ment has taken decisions that have serious implications for their own interests as a nation and for other friendly powers.

4. I have not yet been able to assess fully what the eventual effects of these developments may be, but one thing that seems certain, even now, is that we must be willing to receive USA representations concerning the position we intend to take at the UN Assembly on the question of territorial waters. It would not be surprising to me if the USA were to suggest that the discussions between the two governments should include the Gulf of St. Lawrence and those other areas which have been mentioned in the press.

5. As agreed in our telephone conversation, we have told the State Department that the story concerning the Gulf of St. Lawrence was completely unauthorized and that Canada has no intention of raising the question of the Gulf at the coming UN Assembly. I am not certain whether or not it would be desirable to make an official denial of the stories which have appeared in the press. It may be that since most USA newspapers have concentrated on covering the political conventions the press story will not attract as much attention as might have been expected. However, there is always the possibility that there will be editorial comments later on. We have already seen, in the *Richmond Times* despatch, an editorial which compares Canada's action on the 12-mile limit and the straight baseline system to Colonel Nasser's action on the Suez Canal. If this editorial (a copy of which we are sending by bag) is an indication of the kind of comment that may be made, we should, I think, be prepared to take some action to put the record straight. I should appreciate your views on what might be done in that regard and also on what further steps might be taken to improve the rather uncomfortable position we now are in with respect to the State Department.

6. You will no doubt have thought already about the serious breach of security that seems to have occurred in connection with this subject on which all official papers that we have seen have borne the security classification Secret, For Canadian Eyes Only.

[A.D.P.] HEENEY

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321. DEA/10600-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 1527 Washington, August 17, 1956

SECRET. CANADIAN EYES ONLY.
Reference: Your tel L-1222 Aug 13 and my tel 1525 Aug 17.†
Repeat Permis NY (Information).

TERRITORIAL WATERS

My interview with Burke Elbrick which was postponed from the original date of Wednesday August 15 because Elbrick had to be away from Washington that day, took place yesterday shortly before noon. Elbrick was accompanied by Ernest Allister, Deputy Director of the State Department Office of British Commonwealth and Northern European Affairs and Ray Yingling, Assistant legal Adviser for European Affairs.

2. The two most important points that emerged from the comments of Elbrick and Yingling were:

(a) The USA Government is seriously concerned and deeply disappointed about the lack of advance consultation between the two governments prior to the Canadian announcement about our intentions with respect to the question of territorial waters at the November session of the UN Assembly.

(b) The USA Government is most anxious to consult with Canada whenever we are ready, prior to the UN Assembly meeting. Arrangements have just about been completed for Yingling to discuss this and related question with Fitzmaurice, Legal Adviser to the UK Foreign Office, around mid-September in London. The USA would like to be able to talk with Canada early in September and they suggested that one or two key officials from Canada and the USA (one of theirs will probably be a fisheries expert) might meet in New York about that time, for discussions which might include Vincent Evans, Legal Adviser to the UK's delegation to the UN. I said in reply that while I did not know whether a threeway discussion would appeal to you, I would pass the State Department suggestion along to you, and, in view of the possible difficulties of timing, ask for a reply as soon as possible. From my point of view it would appear highly desirable that we work out as rapidly as circumstances permit arrangements for discussions on this subject between Canadian and USA officials. I should be grateful if you could let me know whether the idea of a meeting in New York, with or without Vincent Evans, is feasible.

3. Although the interview was conducted in a cordial atmosphere, and although Elbrick and Yingling showed commendable restraint in their comments, they left no doubt that our announcement of July 30 had given rise to very serious concern in the USA Government. As I have already indicated the State Department were concerned most of all about the absence of advance consultations. Their worries on this score, which are in my view legitimate, seem to have been deepened by a report from the USA Embassy in Ottawa which lead State Department officials to think that we intended simply to inform them officially of the position we intended to adopt at the UN, but that we might be willing to discuss our decisions if the USA Government wished. Fortunately I was able to give them some reassurance on that point by referring to the info you gave me in the final sentence of your L-1176 August 1.†

4. In their comments on the question of advance consultations, Elbrick and Yingling indicated that they had the impression that there was some kind of an understanding between Canadian and USA officials that each government would consult the other prior to any public announcement of a change in its traditional policy. (Canada, they said, had always adhered to the 3-mile rule for territorial waters.) Elbrick mentioned that there appeared to be some inconsistency between this understanding and the report they had received from their Embassy in Ottawa.

5. Yingling said that, speaking certainly for himself and he thought for other USA officials who were concerned with these matters, the Canadian announcement had been "like a bolt from the blue". (He referred to the usually cooperative atmosphere that prevailed between Canada and the USA, and the help that our representatives had given them in the past in connection with discussions similar to those that were scheduled for November at the General Assembly.) He went on to say that in this case there had been no intimation that Canada was likely to come out in favour of the 12-mile limit and the system of straight baselines. This he said was a complete and sudden surprise. Although he had been aware that fisheries interests in Canada had been pressing for the adoption of the 12-mile limit he did not know that this problem had been as important in Canada as it now appeared to have

been. In his own view, Yingling said, the fisheries aspect was the least important of the many aspects of the territorial sea question. At any rate the record of cooperation between Canada and the USA with respect to fisheries was excellent and served as a good example to the rest of the world. If the fisheries problem was serious in our view, Yingling said, he was confident that a mutually agreeable solution could be worked out.

6. Turning to the Prime Minister's statement of July 30 (which was the basis of our conversations), Yingling said that the original worry of the USA Government was that by virtue of this public announcement the Canadian Government had taken a final and firm position on the 12-mile rule and the baseline system. If this had been the case, he should have been extremely disappointed because it would have meant that any talks between the two governments would have lacked any real point. It now seemed, Yingling continued, that the Prime Minister had left (as Yingling termed it) a "loophole" which seemed to permit of consultations with other interested countries. It had been noted, he said, that apparently there had been discussions with the UK authorities. He mentioned that Canada's decision on territorial waters would, of course, be of concern not only to the UK, the USA and France, but to other members of the Western Alliance, because, as he put it, "of the way in which wars are fought". Yingling's final point was that our announcement had already caused the State Department some slight embarrassment when they were unable to answer an enquiry they had received from the Mexican Embassy about the Canadian announcement of July 30. (The nature of the Mexican enquiry was not revealed.)

7. In reply to all of this, I said that I would readily understand the anxieties of the USA on this question. As their officials would know, the present status of international law on territorial waters was certainly clouded. This and related questions had been subjected to long and intensive study by the Canadian departments concerned and had been considered on two separate occasions by the government. The result of this study and consideration was that which had been outlined by the Prime Minister in his statement to the House of Commons on July 30, namely that when the recommendations of the International Law Commission come up for discussion in the General Assembly, Canada intended to support the adoption of 12-mile limit for the territorial sea and the straight baseline system for computing the seaward limit and the territorial sea. I emphasize that as the Prime Minister had intimated in his statement we would not be appearing at the Assembly without first having spoken to our friends.

8. The USA concern about the possible inflexibility of our position on this question was also not hard to understand. However, there was no point in pretending that the position stated by the Prime Minister was not that which the Government deemed to be in Canada's best interest. At the same time I was confident, I said, that it had always been our intention to consult the USA (and other friendly nations) before we went before the Assembly. The USA Government, I said, had had some experience with the situation in which they had found it necessary to make policy announcements without having had the benefit of consultation with other countries, even when such consultation was obviously desirable.

9. On the question of flexibility in the Canadian position, I drew attention to that part of the Prime Minister's statement in which he had said that he did not wish to say "that there had been a firm decision that may not be varied as a consequence of our conferring with other nations ...." It appeared from that part of the statement that the way was still open for the USA Government to present their arguments against the twelve mile rule and the baseline system, prior to the meeting of the UN Assembly. If strong counter arguments could be made, I said, I was confident that they would be taken into account by Canada. It seemed to me, however, that in view of the long and careful consideration given to this question in Ottawa, the USA arguments would have to be particularly strong and telling.

10. I then suggested that the USA Government might wish to advance the date (early September) that had been suggested for a meeting between representatives of the two governments. Elbrick replied that the timing would naturally be left to the Canadian authorities, but he emphasized the wish of the USA Government to have discussions whenever we were ready. During this part of the interview Yingling said that his conversations with Fitzmaurice in London would be devoted partly to discussing the tactics USA and UK would use in the General Assembly discussion on the International Law Commission recommendations. It had been intended, in accordance with the usual practice, to have similar advance discussions with Canada as well. At this point he made the suggestion for a three way meeting in New York to which I have already referred. I might emphasize my own view that in view of the circumstances and the serious concern displayed by these USA officials about the future régime of the territorial sea, it is highly desirable for us to engage in pre-Assembly discussions with the USA Government as soon as practicable. The timing of any discussions will, I should think, have to be fitted into the arrangements that the USA have almost completed for their talks in London in mid-September.

11. At the conclusion of our interview it was interesting that Elbrick referred to the visit to the State Department by a delegation of business men and the members of the Chamber of Commerce from Chicago. They had, Elbrick said, made a strong case for an increased diversion at Chicago, but nevertheless in the interest of international harmony and consultation, the State Department had opposed HR3210 and as we knew it had been vetoed. Although there was no firm info available now, it appeared that Canada and the USA would face the prospect of bilateral discussions on this question in the not too distant future. It was evident that in the State Department's view there was a clear parallel between consultation on the Chicago diversion and lack of consultation on the far more important question of territorial waters.

12. In a preceding telegram I have outlined my views on the unfortunate story that appeared in the press today to the effect that Canada will claim as Canadian waters the Gulf of St. Lawrence, Hecate Strait and other areas. The effect of that story, on the State Department (particularly in view of the timing) might well have been to undo whatever good was accomplished through the interview with Elbrick.

[A.D.P.] HEENEY

322. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], August 29, 1956

Present:

The Minister of National Revenue and Acting Prime Minister (Dr. McCann), in the Chair,
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice and Acting Minister of Finance (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General and
  Acting Minister of National Defence (Mr. Lapointe),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Northern Affairs and National Resources (Mr. Lesage).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

. . .

TERRITORIAL WATERS; DISCUSSIONS WITH THE UNITED STATES (PREVIOUS REFERENCE AUG. 10)

36. *The Minister of Northern Affairs and National Resources* said the United States was concerned about Canada's announced intention to support the adoption of the 12 mile limit and the straight baseline system for delimiting territorial waters. These U.S. worries were further intensified by a report in the press that, in addition, Canada would claim the Gulf of St. Lawrence and certain other bodies of water as its territorial waters. The U.S. government felt strongly that there should have been consultations with them before Canada publicly adopted such an important position and was most anxious, even at this stage, to discuss these questions before the General Assembly met in November.

As regards the Hecate Strait, it had always been Canada's intention to discuss this particular problem bilaterally with the U.S. This matter was not yet ready to be dealt with but the U.S. authorities could be told Canada intended to consult them directly on it at the appropriate time. On certain waters in the north, such as Amunsden Gulf and Foxe Basin, no action was proposed until more was known of the situation, and views on the whole subject were clearer. However, difficulties would occur in any talks over the Gulf of St. Lawrence because it had been decided in principle eventually to claim it as an inland water. Nevertheless, it could be pointed out to the Americans that, as long ago as 1949, the Prime Minister had said in Parliament that one of the advantages arising from Newfoundland entering the Canadian confederation was that it would then be possible to claim the gulf as an inland water.

There was no doubt that the U.S. and the U.K. were very worried about the extension of territorial waters beyond the 3 mile limit. The former proposed to discuss the matter in the U.K. soon but, before doing so, wished to talk to Canadian officials as soon as possible. Accordingly, a meeting had been proposed in New York about the 10th of September. He suggested that, at this meeting, the U.S. authorities be informed that Canada had decided to support in the U.N. the straight baseline system and the 12 mile limit. It would be unwise, however, to go into details and produce charts to show how the baseline system would work in Newfoundland, for example. This could be left until after the U.N. debate on the whole subject was held and an assessment made of international opinion. France should also be informed at this time what our general intentions were.

37. *The Secretary of State for External Affairs* added that final acceptance of Canadian policy should depend on U.N. views. There appeared to be little doubt that most countries would have the same opinion as Canada, but Canada would be under great pressure from the U.S. and the U.K. to adhere to the 3 mile limit.

38. *During the discussion* it was emphasized that Canada had consistently stated that fisheries rights already guaranteed by treaty would be respected and, on that score, neither the U.S., (particularly in relation to the Hecate Strait), nor the French, need be worried.

39. *The Cabinet* noted with approval the report of the Minister of Northern Affairs and National Resources on the proposed meeting with the United States to discuss territorial waters and on the attitude to be adopted by the Canadian officials at these discussions.

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323. DEA/10600-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en France

Secretary of State for External Affairs
to Ambassador in France

TELEGRAM L-674 Ottawa, September 6, 1956

SECRET

Reference: Cabinet Document dated Aug. 3/56.
Repeat for Information London, Washington.

TERRITORIAL WATERS

The following is for your information:

At our request the Secretary of the French Embassy, Mr. Theysset, called on the Department yesterday and was informed officially of the policy (already outlined by the Prime Minister in the House of Commons in his statement of July 30 — Hansard pages 6700-6703) which the Canadian Government proposes to follow in the forthcoming General Assembly discussions on territorial waters. Specifically Mr. Theysset was informed (a) that Canada will take the position in line with the decision of the International Court of Justice in the Anglo-Norwegian fisheries case and the recommendation of the International Law Commission that the so-called straight baseline system be employed for computing the seaward limit of the territorial sea in appropriate cases, and (b) that Canada will support the adoption of a 12-mile limit for the territorial sea. It was pointed out that Canadian opinion, particularly in coastal regions, is strongly in favour of a moderate extension of the territorial sea; furthermore many countries now seem to favour an extension of the territorial sea. The International Law Commission in its recent recommendations had inferred that international law does countenance a breadth for the territorial sea of 12 miles.

2. Theysset referred to the Prime Minister's mention of "historic fishing rights" and asked if this would include French rights under the convention between the United Kingdom and France signed at London April 8, 1904, whereby French citizens are granted the right to fish in territorial waters on the whole of the west coast of Newfoundland and the

east coast from the Strait of Belle Isle south to Cape St. John. He was informed that these French treaty rights were envisaged in the Prime Minister's statement.

3. Theysset also referred to the Prime Minister's reference to consultations with the United Kingdom Government (he did not mention the United States) and asked if consultations were taking place. He was advised that we had informed the United Kingdom Government along the lines we were now informing him.[25] For your own information talks on territorial waters are to take place next week in New York between Canadian officials and officials of the United States State Department and of the United Kingdom Permanent Mission to the United Nations. Since these talks are secret we did not mention them to Theysset.

4. Theysset referred to a recent Canadian press despatch attributed to "officials", that Canada plans to claim the Gulf of St. Lawrence, Hecate Strait between the Queen Charlotte Islands and British Columbia, and Amundsen Gulf and Foxe Basin in the Arctic. He was informed that this report was unauthorized. He then asked if we should be raising these questions in the United Nations. We replied that we did not think that they would be relevant to the United Nations discussions.

[Six lignes non déclassifiés./Six lines were not declassified.]

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324. DEA/10600-40

Note du chef du Comité interministériel sur les eaux territoriales pour le Comité du Cabinet sur les eaux territoriales

Memorandum from Chairman, Interdepartmental Committee on Territorial Waters, to Cabinet Committee on Territorial Waters

SECRET. CANADIAN EYES ONLY. Ottawa, September 26, 1956

DISCUSSIONS WITH THE UNITED KINGDOM AND THE UNITED STATES ON TERRITORIAL WATERS POLICY; RECOMMENDATIONS

Attached is a report, with appendix, on discussions held in New York with representatives of the United Kingdom and the United States concerning Canadian policy on territorial waters.

In the light of the position of the United Kingdom and the United States, as indicated in the discussions, the following recommendations are submitted for consideration by the Cabinet Committee:

(a) The invitation of the U.S. should be accepted to have an appropriate group of defence officers, together with a representative of the Department of External Affairs, visit Washington to be advised in detail on and to discuss the security and defence implications of a general extension of territorial waters to 12 miles.

(b) The Department of Fisheries should be asked to prepare a report on the relative advantages and disadvantages from the point of view of Canadian fisheries of

(i) continued adherence to the 3-mile limit *with* general adoption of the "principle of abstention" (see Appendix to attached report); and

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[25] Le haut-commissariat du Royaume-Uni a été informé de la politique du Canada relative aux eaux territoriales le 23 août 1956.

The U.K. High Commission was informed of Canadian policy on territorial waters on August 23, 1956.

(ii) adoption of the 12-mile limit *without* general acceptance of the "principle of abstention".

(c) If the security implications of a general 12-mile limit appear to be as serious for the west as the U.S. and the U.K. have indicated, or, even if the security considerations do not appear to be serious, but if it appears that Canadian fisheries would gain as much or more from the principle of abstention as from the 12-mile limit, the government might wish to consider whether to make its support of the 12-mile limit an alternative position; the first being support of the 3-mile rule, coupled with the principle of abstention. If the 3-mile rule plus that principle did not, at a conference on the subject, appear to be receiving sufficiently general support, the government could then consider whether to support the 12-mile rule as an alternative.

[Paragraphe non déclassifié./One paragraph was not declassified.]

(e) No change should be made in the decision of the Cabinet to support the baseline system.

(f) At the forthcoming discussions in the United Nations, Canada should support the U.S. proposal that, insofar as possible, discussion on the substantive recommendations of the International Law Commission should be deferred and that they should become the subject of consideration at a special international conference to be called to draft an international convention on the international law of the sea.

Since the United Nations session is to begin on November 12, and since the question of territorial waters can be expected to receive consideration at an early stage, it is desirable that action on recommendations (a) and (b) (if approved) should be taken at once and that a decision on the other questions of policy should be taken before that date.

R.G. ROBERTSON

[PIÈCE JOINTE/ENCLOSURE]

Rapport

Report

SECRET. CANADIAN EYES ONLY. Ottawa, September 26, 1956

CANADIAN POLICY ON CANADIAN TERRITORIAL WATERS DISCUSSIONS WITH U.S.-U.K. RE 12-MILE LIMIT AND BASELINES

As agreed by the Cabinet at its meeting of August 10, 1956, a meeting of United States, United Kingdom and Canadian officials was held on September 12th in New York, to discuss the announced position of Canada on territorial waters.

I. 12-MILE LIMIT

The U.S. and U.K. took much the same stand. They had been surprised and dismayed to learn that Canada intended to support the 12-mile limit, before there had been an opportunity for consultation with friendly nations which, along with Canada, had traditionally supported the 3-mile limit. There was a fear that such prior announcement had placed Canada in a position from which it would be difficult to withdraw, even when faced with convincing arguments by its friends, and also that support of the 12-mile limit by a law-abiding nation would encourage more volatile nations to make exorbitant claims. It was argued that any advantage Canada might gain by extending the limit of territorial waters would be more than offset by disadvantages both to Canada and internationally, and that any benefit to Canada could be achieved by other means without an increase in the width of the territorial belt. The following arguments were made in support of the U.S.-U.K. stand:

Security

The security argument was the one on which the United States placed the greatest importance in insisting on the 3-mile limit. It was also of first-rate importance to the United Kingdom. Because of the nature of its military operations in war and in peace the United States would gain nothing from a 12-mile limit off its own shores but would be seriously hampered by a 12-mile limit off foreign shores. U.S. naval intelligence and reconnaissance would be greatly hindered, and U.S. pursuit of enemy vessels in war would be rendered more difficult by the existence of larger bodies of neutral water. The movement of large naval forces and of troops would be rendered more difficult, particularly in the Mediterranean and far east. Certain nations might take the opportunity, clothed in legality, to prevent the passage of these forces. In addition, fleet manoeuvres in some areas would be curtailed because very large expanses of the seas were necessary to enable them to be carried out. Military aircraft flying over the extended territorial waters could be similarly restricted.

Navigation

The passage of civil aeroplanes might be hampered because, while there was a formal right of innocent passage in territorial waters, there was no such right in the air space over those waters. The right of innocent passage of ships could be curtailed by unfriendly nations in peacetime.

Some of the major shipping lanes lay close to the shore. Also, vessels had to take bearings and, on occasion, to use visual aids to navigation by coming close to shorelines. This could be rendered impossible or very difficult if the territorial limit were increased to 12 miles. Also, in general it was preferable to have a ship travelling as much as possible on the free high seas rather than in a zone where it was subject to the laws (and possibly the whims) of other nations.

Fisheries Conservation

It was admitted in the discussions that fisheries conservation was a matter which could not be handled by extension of territorial waters, such as an extension to 12 miles. Indeed, the matter, generally speaking, had already been partially solved on both the east and west coasts of Canada and the United States by treaties with other nations involved.

Exclusive Exploitation of Fish Stocks

It was recognized that there would be certain advantages to be derived by Canadian fishermen from an extension of territorial waters and that pressures undoubtedly arose from the interested groups. However, the U.S. suggested that any gains to Canadian fishermen on the east coast by an extension of the territorial limit to 12 miles would be more than offset by the effects of such an extension on the west coast. Because of the shortness of the coastline of British Columbia in relation to the rest of the western coastline of North America, the gain to B.C. fishermen through an extension of territorial waters off their coast would be much less than what they would lose in the long run in being excluded from a similar territorial belt off the other parts of the west coast. As for the east coast, it was suggested by the U.S. that the problem of foreign draggers fishing within the 12-mile could be met within the framework of the Northwest Atlantic Fisheries Convention (between Canada and the U.S., U.K., and seven other European countries). It was also suggested that the problem of conservation of fish off Canada's coasts could best be met by the adoption of the International Law Commission's recommendations on fisheries, which recognize the special interest of a coastal state in off-shore fisheries, and the problem of exclusive exploitation of certain stocks of fish could best be met by the adoption of the so-called "abstention principle". (This principle is explained in a memorandum prepared by the Department of Fisheries and hereto attached.)

It was contended that the desire for exclusive rights over off-shore fisheries could not form a valid ground for extending territorial waters since the limit would have to vary with the different species of fish, and different countries could then contend for different limits. The result would be chaos.

It was emphasized that the establishment of a 12-mile limit universally would "kill" the United Kingdom fishing industry. The U.K. representative said he had been instructed to emphasize most strongly the very serious consequences that would result for British fisheries from any general recognition of a 12-mile limit. It should be mentioned, however, that the U.K. has at present not much liking for the "abstention principle" either. The U.S. representative said that if the "abstention principle" were not accepted the United States itself would be forced to extend jurisdiction over off-shore fisheries, but this would not be done by the extension of complete sovereignty, i.e. the extension of territorial waters. The United States was, therefore, pressing the United Kingdom and other friendly states to study seriously the advantages of the "abstention principle". The U.S. representative argued that, in the realm of fisheries, both the U.S. and Canada had more to gain from general adoption of that principle than from a 12-mile limit. There was no chance of getting both accepted. It would be better, therefore, to stick with the 3-mile rule and try to get recognition for the "abstention principle".

International Uniformity in Fixing of Limits

It was argued by the Canadian representatives that a rigid adherence to the 3-mile rule would result, not in its general acceptance as the international rule, but in continuance and extension of the present chaotic and unlimited claims. The Hague Conference of 1930 had failed because of a refusal by the U.K. and the U.S. to recognize the need for contiguous zones for customs and other purposes. If they, and we, tried to stand rigidly at 3-miles it might only mean failure to get any agreement again. There was a chance of agreement on 12 miles; none on 3.

The U.K. and U.S. representatives did not concede this argument. They recognized that the 3-mile rule had lost ground since 1930 but they argued that it still was the only rule with any broad acceptance. If it were departed from there would be no stopping at 12 miles.

The particular requirements of nations in various fields, such as fishing, customs, pollution, etc., could be met by devices such as contiguous jurisdictional zones and fisheries conservation zones. If these devices were not used where a nation had a particular requirement to satisfy, the nature of the requirement could conceivably provide that nation with an argument for extending territorial jurisdiction over its coastal waters to almost any limit. Because of their vital interest in being able to travel the high seas unimpeded, the great maritime nations, although they had an interest in uniformity in the law of the sea, could not secure it by too great a sacrifice of the principle of freedom of the seas. For this reason, in the eyes of the great maritime powers, the problem of the breadth of the territorial sea was not altogether one which could be resolved by simple majorities voting for territorial waters extensions in international forums.

U.S.-U.K. Proposals and Courses of Action

U.S. and U.K. officials understood that Canada did not propose to make a unilateral claim of a 12-mile limit but that the decisions thus far had related to the position to be adopted by Canada in international discussion on the territorial sea. Canada was strongly urged to reconsider its views on the 12-mile limit, particularly in the light of arguments put forward by the U.S. and U.K.; the effect of Canada's support for the 12-mile limit on the policies of other states; and the suggestion that Canada's fisheries problems could be solved satisfactorily by other means. It was proposed that Canadian officials should meet with U.S. defence officials to learn in detail their views on the effects an extension of territorial waters would have on the security and defence of the western powers.

The International Law Commission proposed that its articles on the law of the sea, rather than being settled immediately at the General Assembly, be taken up at an international conference. The United States intended to support this recommendation and hoped that the conference might be delayed until early 1958 to give nations an opportunity to study and consult. It was hoped that discussion on the substance of the Law Commission's articles would be held to a minimum at the General Assembly. The United States hoped that Canada would be prepared to support the idea of a conference to draw up a convention on territorial waters.

II. BASELINES

The U.S. and U.K. accepted the decision of the International Court of Justice upholding the use of straight baselines in appropriate cases, and appeared also to have no objection to similar provisions in the International Law Commission's articles. The Canadian representatives said that it seemed clear that the criteria in the Court decision applied to the B.C. and Labrador coasts as well as to certain other portions of the Canadian coastline. Examination of the Canadian coast to determine the full extent of proper application had not been completed. It was Canadian policy to apply the baseline system where the physical conditions warranted it. The U.S. and U.K. representatives raised no objection to this statement of the Canadian position.

[Deux paragraphes non déclassifiés./Two paragraphs were not declassified.]

The Canadian officials said they would report the substance of the discussions to the government for its consideration.

[APPENDICE/APPENDIX]

Note du ministère des Pêcheries

Memorandum by Department of Fisheries

SECRET. CANADIAN EYES ONLY. [Ottawa, n.d.]

TERRITORIAL WATERS: RELATIONSHIP OF THE "PRINCIPLE OF ABSTENTION"

In the discussions of September 12, the United States representatives argued that an extension of territorial waters to 12 miles would not give Canadian fishermen as much protection as the adoption of the so-called "principle of abstention".

This principle had its origin in discussions between Canada and the United States preliminary to the negotiations with Japan which led to the signing of the Tripartite Fisheries

Convention for the North Pacific Ocean. At that time consideration was being given to establishing a zone off the Pacific Coasts of Canada and the United States from which Japanese fishermen would be excluded. To protect such fisheries as salmon and halibut, it was realized that this zone would have to extend hundreds of miles out to sea. If this course had been followed, we might have been criticized for locking up food resources which we could not ourselves fully utilize and thus keeping them from other less fortunate countries who were in need of food.

The zone principle was therefore dropped and in its place a new formula was adopted which was eventually incorporated in the North Pacific Fisheries Convention. Under this formula fully utilized fishery resources are reserved for the exclusive use of countries who, by their conservation efforts, have succeeded in developing these resources at a productive level. Under this formula, which has since then become known as the "abstention principle", states not fishing for any resources in recent years are required to abstain from fishing these resources as long as the following conditions are fulfilled:

1. When the resources are being so fully utilized that an increase in the amount of fishing would not result in any substantial increase in the sustainable yield.

2. The continuing and increasing productivity is the result of and dependent on research by the exploiting countries and restraints on their own fishermen.

This principle has been applied in the North Pacific Fisheries Convention to salmon, halibut and herring. Japan abstains from fishing for these resources which are the backbone of our Pacific Coast fishing industry.

The protection which our industry on the Pacific coast thus enjoys could not be achieved by the extension of territorial water limits, even if they were to be extended by many hundreds of miles. This abstention principle, if recognized in international law, would also give protection to our lobster fishery and any other fisheries which in the future may be fully utilized.

In considering this in relation to the exclusion of other fishermen by means of extended territorial waters, it has to be kept in mind that reservation of a certain area for exclusive fishing by the nationals of one country does not guarantee that the stocks of fish frequenting the area will be taken only by the fishermen fishing there. For example, without the protection of the abstention provisions in the North Pacific Fisheries Convention Japan could take a large share of our salmon outside the 12-mile limit. In so far as halibut, the second important fishery on the Pacific Coast, is concerned a large part of it is caught outside the 12-mile zone. On the Atlantic Coast most of the species of fish, except perhaps lobster, migrate freely in and out of the 12-mile limit and could therefore not be reserved to our nationals alone by the mere fact of extending the territorial water limits by nine miles.

The U.S. representatives further pointed out that in the past several years Canada and the U.S. have been working closely in getting the abstention principle included in the International Law Commission's report for adoption by the United Nations General Assembly as part of the international law relating to the high seas. The principle was embodied in the Report of the Rome Conference. Likewise, the Report of the International Law Commission covering the work of its eighth session, which will be submitted to the United Nations General Assembly this fall, has the following on the proposal to include the abstention principle in the Fisheries Articles (p. 105):

> "The Commission recognized that both this proposal, the purpose of which was to encourage the building up or restoration of the productivity of resources, and the proposals of some other governments based on the concept of vital economic necessity may reflect problems and interests which deserve recognition in international

> law. However, lacking the necessary competence in the scientific and economic domains to study these exceptional situations adequately, the Commission, while drawing attention to the problem, refrained from making any concrete proposal."

The United States representatives were fearful that, since Canada and the United States are the joint sponsors of the abstention principle, it would be difficult to persuade other maritime powers, such as Great Britain, France, etc. to support the principle, if at the same time Canada were to ask for extension of the territorial water limits. The principal argument being used to get this support from countries adhering to the 3-mile limit is that adoption of the abstention principle would in a large measure obviate the demands for extension of territorial waters beyond the 3-mile limit.

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325. DEA/10600-B-40

Procès-verbal de la réunion du Comité du Cabinet sur les eaux territoriales

Minutes of Meeting of Cabinet Committee on Territorial Waters

SECRET. CANADIAN EYES ONLY. [Ottawa], October 11, 1956

The fourth meeting of the Cabinet Committee on Territorial Waters was held at 3:00 p.m., on Tuesday, October 2nd, 1956, in the Privy Council Chamber, East Block.

Present:

Rt. Hon. Louis S. St-Laurent, the Prime Minister
Hon. Jean Lesage, Minister of Northern Affairs and National Resources (Chairman)
Hon. L.B. Pearson, Secretary of State for External Affairs
Hon. R.H. Winters, Minister of Public Works
Hon. James Sinclair, Minister of Fisheries
Hon. J.W. Pickersgill, Minister of Citizenship and Immigration.
Mr. M.W. Cunningham, Privy Council Office (Secretary)

Also Present:

Mr. F.R. Miller, Deputy Minister of National Defence (in the place of the Minister of National Defence)
Mr. R.G. Robertson, Deputy Minister of Northern Affairs and National Resources
Mr. J.S. Nutt, Department of External Affairs

CANADIAN POLICY ON THE 12-MILE LIMIT AND BASELINES

Mr. Robertson gave the Committee a brief outline of the discussions that had taken place on September 12th in New York among United States, United Kingdom and Canadian officials on Canada's proposed stand at the United Nations regarding the 12-mile limit and baselines. A full report of these discussions is appended hereto.

In the discussion that followed, the following points emerged:

(a) In regard to the security argument, it was logical and natural for the United States to want to have the territorial waters belt of other nations as narrow as possible. The United States was a great military power which could defend its own shores, with a defence policy that called for moving its naval forces as close as possible to foreign shores. On the other hand, it could be argued that because of the nature of modern weapons of war, in actual practice the difference between 3 and 12 miles was not too important. Rockets, guided missiles and modern aircraft had gone a long way towards lessening the importance of a 12-mile limit. The United States had proposed that Canadian officers should visit Washington in the near future to discuss the implications to the security and defence of the western nations of the extension of the territorial limit to 12 miles. It was recognized that extremely strong arguments and pressure would be applied to the Canadian officials, but, nevertheless, it was desirable that the discussions should take place as proposed. It was thought that, in addition to defence officers, there should be representatives from the departments of Northern Affairs and National Resources and External Affairs.

(b) The United States had stressed the importance of ships being able to use visual aids to navigation and consequently of being able to approach close to foreign shores to take bearings, as an argument against the 12-mile limit. It was pointed out, however, that the use of electronic navigation aids was becoming quite common, and that there was now less need to use visual aids. In addition, there was a general recognition of the right of innocent passage of ships through territorial waters.

(c) It was not completely correct to maintain that fisheries conservation would not benefit from an extension to 12-miles. Certainly in respect of bottom fish, which remained close to the shore, if foreign trawlers were required to fish outside the 12-mile limit greater stocks would be conserved for the Canadian coastal fisheries.

(d) The United States had contended that, in the matter of exploiting fish stocks, Canada would lose more on the west coast than it would gain on the east coast through an extension of the territorial limit to 12 miles. The balancing of the gains and losses was something for Canada to do alone. Although it had been pointed out that the coast line of British Columbia was relatively short in relation to the remainder of the west coast of North America, it should be remembered that Canadian fishing grounds were extremely rich close to the shore. At the present time the Japanese, by a treaty involving the abstention principle that had been actually imposed on Japan, were precluded from fishing east of the 175th meridian, but that treaty had only 7 years to run. In theory, at the end of that time, the Japanese would be able to fish the Canadian west coast up to the 3-mile limit. If Canada had a 12-mile limit by that time, it would have exclusive rights over very considerable stocks of coastal fisheries. Similarly, at the present time the Russians were free to fish for salmon close to the Canadian shores, but they abstained from doing so only because they considered it more economical to fish for salmon not on the high seas but very close to their own shores. The abstention principle was a United States idea which, while good in theory, did not work out satisfactorily in practice. The general character of the main defect was clear from the operations of the International Whaling Commission, where the members adhered to the convention to a greater or lesser degree, but where three active whaling nations had refused to join and were taking whales excessively as they pleased. The abstention principle worked between Canada and the United States in the salmon and halibut fisheries, but largely because there were only these two countries involved, and for their mutual good they had arrived at close cooperation in taking fish and apprehending violators. It was very doubtful if the principle would be effective for general application.

The situation off Canadian shores, whereby foreign trawlers were permitted to fish up to the 3-mile limit and Canadian trawlers were obliged to remain 12 miles out, was becoming intolerable, and giving rise on the part of fishermen to serious pressure for an extension of territorial limits to 12 miles. It would not be surprising if Canadian trawlers, in defiance of the Canadian law, forced the issue by going inside the 12-mile limit to fish.

(e) In the matter of international uniformity in the fixing of territorial limits, it was probable that in the United Nations Canada would find itself a leader in advocating the 12-mile limit, and the position could probably get a majority among the nations. However, it was one thing to have the majority of nations declare for a 12-mile limit and another thing to enforce it, particularly if nations like the United States and United Kingdom would not agree to be bound by the majority decision. It would be embarrassing to have to back down in the face of such opposition. On the other hand, it might be equally embarrassing to attempt to enforce a 12-mile limit on U.S. fishermen.

[Paragraphe non déclassifié./One paragraph was not declassified.]

(f) The possibility could not be ignored that the United States, because of its intense opposition to the 12-mile limit, would use the threat of an increase in the tariff on Canadian fish if Canada adopted that limit. The possibility of an increase in the tariff might become very real if attempts to enforce a 12-mile limit led to difficulty.

(g) It seemed advisable to go along with the idea of having a conference on the law of the sea, if this were proposed in the 6th Committee, but Canada should press for a conference in the Spring of 1957 rather than in early 1958. It also seemed desirable that Canada should make its position on the 12-mile limit known in the United Nations when the matter was considered.

The Committee agreed:

1. That the invitation of the U.S. should be accepted to have an appropriate group of officials, including defence officers and representatives of Northern Affairs and National Resources and External Affairs, visit Washington to be advised in detail on and to discuss the security and defence implications of a general extension of territorial waters to 12 miles.

2. That the Department of Fisheries be asked to prepare a report on the relative advantages and disadvantages from the point of view of Canadian fisheries of

(i) continued adherence to the 3-mile limit *with* general adoption of the "principle of abstention" (see Appendix to attached report); and

(ii) adoption of the 12-mile limit *without* general acceptance of the "principle of abstention".

3. That before arriving at a final decision as to the course to be followed by Canada with respect to the breadth of the territorial sea, the Committee should meet again to weigh the security implications to be communicated by the United States to Canadian officials against the Canadian fisheries' interests to be served by an extension of territorial waters to 12 miles.

4. That no change should be made in the decision of the Cabinet to support the baseline system.

5. That at the forthcoming discussions in the United Nations Canada should make its stand on the 12-mile limit and baselines known in brief and should support the U.S. proposal that, insofar as possible, detailed discussion on the substantive recommendations of the International Law Commission should be deferred, and that they should become the subject of consideration at a special international conference to be called to draft a convention on the international law of the sea; but that Canada should seek to have the conference called for the Spring of 1957 rather than early 1958 as proposed by the U.S.

M.W. CUNNINGHAM

326. DEA/10600-40

Le sous-secrétaire d'État suppléant des États-Unis au secrétaire d'État aux Affaires extérieures

Deputy Under-Secretary of State of United States to Secretary of State for External Affairs

CONFIDENTIAL [Washington], November 7, 1956

Dear Mike [Pearson]:

Before the Secretary's illness there was under preparation a letter to you from him regarding recent reports that at the coming meeting of the United Nations General Assembly Canada may propose or support acceptance of a general rule for an extension of territorial waters to twelve marine miles. In his absence I am writing you to express the very real concern we in this Government have over this problem. Our primary concern is with respect to the extent to which such a rule would affect the ability of United States defense forces, in collaboration with Canada and other free nations, to carry out their responsibilities in many sections of the world outside of the North American continent, particularly in the Mediterranean and the Far East.

The relationship between an extension of territorial waters and the activities of our naval and air forces has recently been the subject of intensive study by our Department of Defense. Conclusions with respect to the effect of an extension of territorial waters to twelve miles make clear that such a development would have drastic effects in many critical areas of military operation in both peace and war. As you know, our military experts met in Washington on November 2 to discuss this matter. I understand that those discussions prove extremely useful in pointing up security considerations which our Governments should bear in mind in connection with the territorial waters question.

We are not unmindful of the fisheries problems of your country. They have been studied here and discussed with representatives of your Government. As a result, it is my understanding that there is an excellent possibility that solutions of these problems can be developed which would provide equal or more satisfactory results from the point of view of Canada, and even Iceland, than would the extension of territorial waters to twelve miles.

In view of the foregoing we very much hope your Government will find it possible to join with the United States to avoid precipitate action at the forthcoming General Assembly on the territorial waters question. As you know, we feel strongly that the best way of handling this admittedly difficult subject would be through careful consideration of the problem, in all its aspects, at an international conference as recommended by the International Law Commission.

Sincerely yours,

ROBERT MURPHY

327. DEA/10600-40

Note de la Direction juridique
pour le conseiller juridique

Memorandum from Legal Division
to Legal Adviser

SECRET [Ottawa], November 9, 1956

TERRITORIAL WATERS[26]

At its meeting of October 2 the Cabinet Committee on Territorial Waters agreed to accept a United States invitation to have Canadian officials briefed by United States defence officials on the security implications of a general extension of territorial waters to twelve miles. To this end a meeting was held in Washington on Friday, November 2, 1956. The Under-Secretary agreed that I should attend this meeting.

2. The Canadian team was headed by Mr. Gordon Robertson and comprised representatives from National Defence, Privy Council Office, the Embassy and myself. The United States team was headed by Rear Admiral Ricketts, Special Assistant to the Deputy Chief of Naval Operations. There were also present representatives of the State Department, Defence Department and the Air Force.

3. The United States service representatives argued that the universal extension of territorial waters to 12 miles would severely handicap the mobility of sea and air forces of the United States[27] particularly in wartime and off neutral shores in various parts of the world including particularly in areas off Korea, Japan and the Philippines, and in the Adriatic, Aegean and Baltic Seas. It was emphasized that the United States would not wish, even in wartime, to violate neutral waters.[28] It was therefore extremely important to restrict the area of water which in time of hostilities might be neutral waters. The second argument against a 12-mile limit was that it would seriously hamper surveillance: it would cut down the effectiveness of aerial photography of potential enemy coasts from aircraft flying over the high seas and would also cut down the effectiveness of any anti-submarine patrol system since a 12-mile limit would make it more easy for potential enemy submarines to slip through territorial waters of a coastal state where they would be difficult to detect by air patrols on the high seas. A third point was that universal extension of the territorial limit to 12 miles would hamper a new scheme, which the Navy is studying as an alternative to the United States foreign bases system, whereby sea planes would be employed instead of land based aircraft. Sea planes had the advantage of increased mobility over land planes which required airfields. While there were many lee shores in the world where sea planes could land for refuelling outside the 3-mile limit there were few places in the world where this could be carried on safely outside the 12-mile limit.

4. Following the presentation of the security implications there ensued a general informal discussion of the question of 3 miles versus 12 miles. It was apparent that the United States Navy were quite prepared to see an extension by states of their exclusive proprietary juris-

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[26] Note marginale :/Marginal note:
Seen by Mr. Wershof and the Minister. See comments opposite para[graphs] 3 and 5. J. Nutt

[27] Note marginale :/Marginal note:
or of an unfriendly state as well [L.B. Pearson]

[28] Note marginale :/Marginal note:
? [L.B. Pearson]

diction over offshore fisheries provided states were prepared not to extend territorial waters, i.e. the belt of exclusive sovereignty. The State Department representatives could not say that the United States Government would be prepared to support such a solution to the problem but they agreed privately that this might provide an answer to the present wide disagreement concerning territorial waters. It was generally agreed that the root of the problem was fish and that if something could be done to accommodate states' interests in offshore fisheries the desire of states to extend the belt of exclusive sovereignty, i.e. the territorial waters belt, might not be necessary.

5. From a Canadian point of view, since our primary interest in extending territorial waters is to obtain exclusive proprietary jurisdiction over offshore fisheries, it would seem that a 12-mile contiguous zone in which a coastal state might exercise exclusive proprietary jurisdiction over fisheries would be as satisfactory a solution as extending territorial waters to 12 miles.[29] In fact it might be a more satisfactory solution since besides satisfying the purely Canadian interest it would at the same time obviate the necessity of our pressing for an extension of territorial waters and would thus enable us to accommodate what appear to be legitimate fears of the United States particularly, and perhaps to some extent the United Kingdom, concerning the security implications of a general extension of territorial waters. Furthermore, in agreeing to pursue such a solution we should not, as we may if we continue to press for an extension of territorial waters to 12 miles, find ourselves expected to give the lead to those states wishing to extend territorial waters which includes a number of states which are making exorbitant claims.

[Sept lignes non déclassifiés./Seven lines were not declassified.]

6. I understand that a report on this meeting will be made in the near future to the Cabinet Committee on Territorial Waters. There is some urgency in having Government arrive at a final decision on what the Canadian position is to be since I believe the International Law Commission recommendations on the Law of the Sea are to be the first order of business of the Legal Committee at the U.N. Assembly. While it appears that there will be a move to refer substantive consideration of the Commission's recommendations to a diplomatic conference and while the Cabinet Committee with the Prime Minister in attendance has agreed that Canada might agree to referral to a conference, I think it will be desirable in the light of the Prime Minister's statement in the House on July 30, to say a few words about the Government's general position on the 12-mile limit or some alternative proposal which the Government may be prepared to propose.

J. NUTT

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[29] Notes marginales :/Marginal notes:
This seems reasonable M. W[ershof]
I agree L.B. P[earson]

328. DEA/10600-40

Note de la Direction juridique pour le secrétaire d'État aux Affaires extérieures

Memorandum from Legal Division to Secretary of State for External Affairs

SECRET [Ottawa], November 19, 1956

TERRITORIAL WATERS

You will recall that I mentioned to you the other evening the question of territorial waters. In particular I mentioned that Mr. Gordon Robertson had asked me to ask you whether you thought you might be available for a Cabinet Committee meeting in Ottawa on, say, Friday afternoon or Saturday morning of this week. I understand that your position is that you would not know until the last minute whether in fact you could be available for such a meeting.

2. With your permission, I should like to have Mr. Robertson informed of this situation. At the same time, I should also like to ask whether you would agree that the meeting go on without you if you are unable to attend.[30] (Perhaps the Under-Secretary or Mr. Wershof could attend as your representative?) I think it is important that a final decision be made as soon as possible by the Government on the position it is going to adopt on the twelve-mile limit, since it seems the Sixth Committee will be discussing the International Law Commission's report on the law of the sea before the end of this week.

3. It is true, as you know, that the Cabinet Committee at its last meeting agreed that Canada might support a resolution in the General Assembly that the whole question of the law of the sea be referred to an international conference preferably to be held in 1957. At the same time, it was also agreed that the Canadian Delegation should state the Canadian position on the more important issues, e.g., the twelve-mile limit and the straight baseline system, in a general sort of way. I should think that, considering the Prime Minister's statement in the House on July 30, it would be difficult for the Delegation merely to voice its support of the idea of a conference and not take advantage of the opportunity to say in a general way what the Canadian position is on the breadth of the territorial sea and the adoption of the straight baseline system.

4. Assuming this to be the case, we must clearly have a decision as soon as possible and it would seem that if Parliament is to meet next week there would then be little chance of arranging a Cabinet Committee meeting until after Parliament had completed its special session. The Delegation might find itself in a rather difficult position being without final instructions for so long a period. It is for this reason that I have suggested above that you might agree to the Cabinet Committee meeting being arranged for the end of this week (if that is possible) even though you yourself might not be able to attend it.

5. I believe that Mr. McGill is holding for you a Departmental memorandum outlining in a general way the results of the meeting of officials in Washington on November 2 where, in accordance with the decision at the last Cabinet Committee meeting, Canadian officials were briefed on the security implications of a general extension of territorial waters to twelve miles. I am also attaching a copy of the factual report† of the Interdepartmental Committee on this meeting. I understand that Mr. Robertson, in his capacity of Chairman

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[30] Note marginale :/Marginal note:
Yes [L.B. Pearson]

of the Interdepartmental Committee on Territorial Waters, in submitting this report, intends to draw specifically to the Cabinet Committee's attention the suggestion which came out of the Washington meeting that a twelve-mile contiguous zone, wherein a coastal state would exercise exclusive proprietary and conservation jurisdiction over fish, might be acceptable to the Canadian Government as an alternative to pressing in the first instance for an extension of territorial waters to twelve miles. You will note in the Departmental memorandum reporting on the Washington meeting that Mr. Wershof has indicated that he considers this suggestion to be worthwhile considering and you are asked whether you would agree to such a position being adopted by the Cabinet Committee if your colleagues on the Committee were also agreeable.[31]

6. I have learned from one of the United States advisers that the Icelandic Delegation may propose a resolution in the Sixth Committee calling for the General Assembly's approval of the extension of territorial waters to twelve miles. The Cabinet Committee may also wish to consider what attitude the Delegation should adopt in the event such a resolution is to be proposed. Even if the final decision of the Government should be to support the idea of an extension of territorial waters to twelve miles rather than to accept, in the first instance, some alternative, such as a twelve-mile contiguous zone, it seems to me that it would not be appropriate for the Canadian Delegation to support such a resolution. To do so would be to prejudge one of the most important questions with which the proposed international conference would be dealing. Therefore, having agreed to support the idea of a conference, I should think we could but abstain on a resolution at this session calling for the extension of territorial waters. Do you agree?[32]

7. I have received this morning from both Sir Gerald Fitzmaurice, the United Kingdom Legal Adviser, and from one of the advisers on the United States Delegation a copy of the draft resolution calling for an international conference. I understand that this resolution is to be cosponsored by the United States, the United Kingdom and at least a number of Latin American delegations. I have also been informed by the Cuban legal adviser that the majority of the Latin American states are prepared to settle, at this session, for a resolution calling for a conference and to restrict discussion to general statements of position. It would seem, therefore, that unless the Icelandic Delegation puts in a resolution on the twelve-mile limit, a resolution along the lines of the attached draft may prove acceptable to the Committee.

8. One further point concerns the letter Mr. Murphy, the United States Deputy Under-Secretary, has written to you expressing (as I recall) the hope of the United States Government concerning the course of events at the present session on the territorial waters question. It would seem that a substantive reply could only be made following upon the Cabinet Committee final decision on the Canadian position. Do you agree?[33]

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[31] Note marginale :/Marginal note:
Yes L.B. P[earson]

[32] Note marginale :/Marginal note:
Yes [L.B. Pearson]

[33] Note marginale :/Marginal note:
Yes L.B. P[earson]

9. I should be grateful if I might receive your instructions on the questions raised in this memorandum.

J. NUTT

P.S. It now seems that the Committee will not discuss the law of the sea until the middle of next week, but I think the considerations set out in this memorandum still apply.[34]

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329. DEA/10600-40

Note du chef du Comité interministériel sur les eaux territoriales pour le Comité du Cabinet sur les eaux territoriales

Memorandum from Chairman, Interdepartmental Committee on Territorial Waters, to Cabinet Committee on Territorial Waters

SECRET. CANADIAN EYES ONLY. Ottawa, November 21, 1956

CANADIAN POLICY ON THE BREADTH OF THE TERRITORIAL SEA

Pursuant to the decision of the Cabinet Committee, Canadian officials visited Washington on November 2nd to hear the views of the United States authorities on the defence and security considerations against the establishment of a 12-mile width for territorial waters. A report† concerning the discussions is attached.

Also attached is a memorandum concerning the fisheries implications of the 12-mile limit and of the "abstention principle".

It is clear from the discussions in Washington that the United States takes a serious view of the defence implications of any general adoption of a 12-mile limit for territorial waters. It seems impossible to argue that the defence implications are not adverse from the point of view of the United States and also of the United Kingdom, although it is not clear whether they would be as serious as the United States contends. However, it was made fairly clear that, no matter what other countries may do, the United States will not agree to or recognize the validity of a 12-mile limit for territorial waters.

Since one of the principal United States and United Kingdom objections to the Canadian proposal is that of defence and since the main Canadian consideration in favour of a 12-mile limit is that of fisheries, it might be desirable to consider whether the fishery objectives could not be achieved without incurring the defence difficulties. Something of this kind might be possible if Canada were to take the position that it would be prepared to support the three-mile limit for territorial waters if general recognition were given to the existence of a 12-mile zone around the coasts of all countries in which the coastal state would have complete and exclusive fishery jurisdiction.

The principle of having zones along the coasts of countries which are broader than the width of territorial seas and within which particular types of jurisdiction can be exercised is not a new one. According to a list prepared by the International Law Commission about 1952 the following are some of the zones claimed by the countries indicated:

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[34] Note marginale :/Marginal note:
New York
Nov. 21/56
In telephone conversation with Mr. Sicotte today I informed him of the decisions of the Minister regarding the questions raised in paragraphs 2 and 5. With regard to paragraph 8 Mr. McGill has agreed to do an acknowledgement. J. N[utt]

"Security" or "Defence" Zone

Argentina (12 miles); Chile (100 km.); Ecuador (12 miles); Greece (10 miles); Iran (12 miles); Poland (6 miles); Venezuela (12 miles).

Custom Zone

12 miles: Argentina, Canada, China, Cuba, Ecuador, Iran, Italy, U.S.A., Venezuela

6 miles: Ceylon, Finland, Poland, Portugal, Spain, Yugoslavia

Chile (100 km.); Colombia (20 km.); France (20 km.); Mexico (20 km.); Norway (10 miles)

Fishery Zone

Argentina (10 miles); Colombia (12 miles); Ecuador (15 miles); Mexico (20 km.); Yugoslavia (10 miles)

It is not clear what authority is claimed in the security or defence zones or in the fishery zones.

The final recommendations of the International Law Commission which are going before the United Nations Assembly this autumn include in the proposals on the "High Seas" the following article concerning which is called the "Contiguous Zone":

"Article 66

1. In a zone of the high seas contiguous to its territorial sea, the coastal State may exercise the control necessary to

(a) Prevent infringement of its customs, fiscal or sanitary regulations within its territory or territorial sea;

(b) Punish infringement of the above regulations committed within its territory or territorial sea.

2. The contiguous zone may not extend beyond 12 miles from the baseline from which the breadth of the territorial sea is measured."

The above article would give formal recognition to the fairly general customs zones. It is to be noted, however, that it does not include any provision for fishery control. In its commentary the Commission states that it considered any zone for security or defence would open the way for abuses. It also states:

> "Nor was the Commission willing to recognize any exclusive right of the coastal state to engage in fishing in the contiguous zone. The Preparatory Committee of the Hague Codification Conference found, in 1930, that the replies from governments offered no prospect of an agreement to extend the exclusive fishing rights of the coastal state beyond the territorial sea. The Commission considered that in that respect the position has not changed."

While the above comment is discouraging as to the probable acceptance of a proposal that the contiguous zone should include exclusive fishery rights it is possible that some, at least, of the opposing countries would regard this as a lesser evil than 12 miles of territorial waters.

At the present time the recommended articles do include a very limited recognition of the special interest of a country in the fisheries off its coasts. The relevant articles are as follows:

"Article 54

1. A coastal State has a special interest in the maintenance of the productivity of the living resources in any area of the high seas adjacent to its territorial sea.

2. A coastal State is entitled to take part on an equal footing in any system of research and regulation in that area, even though its nationals do not carry on fishing there.

3. If the States concerned do not reach agreement within a reasonable period of time, any of the parties may initiate the procedure envisaged in article 57."

"Article 55

1. Having regard to the provisions of paragraph 1 of article 54, any coastal State may, with a view to the maintenance of the productivity of the living resources of the sea, adopt unilateral measures of conservation appropriate to any stock of fish or other marine resources in any area of the high seas adjacent to its territorial sea, provided that negotiations to that effect with the other States concerned have not led to an agreement within a reasonable period of time.

2. The measures which the coastal State adopts under the previous paragraph shall be valid as to other States only if the following requirements are fulfilled:

(a) That scientific evidence shows that there is an urgent need for measures of conservation;

(b) That the measures adopted are based on appropriate scientific findings;

(c) That such measures do not discriminate against foreign fishermen.

3. If these measures are not accepted by the other States concerned, any of the parties may initiate the procedure contemplated by article 57. Subject to paragraph 2 of article 58, the measures adopted shall remain obligatory pending the arbitral decision."

Possible Line of Action

In the light of the certain opposition by the United States and the United Kingdom, on defence grounds, to a Canadian proposal for a 12-mile limit of territorial waters, the Cabinet Committee might wish to consider whether Canadian policy might take the following lines:

(a) Canada does not consider that the 3-mile territorial limit is adequate unless, along with it, there is general recognition of a contiguous zone within which administrative controls can be exercised which are considered essential for the coastal state.

(b) The present proposal for a contiguous zone (Article 66) does not go far enough in that it does not provide for fishery control by the coastal state. Nor do Articles 54 and 55 remedy this defect.

(c) If it is not possible to secure general agreement on a 12-mile limit for territorial waters Canada is of the view that a satisfactory solution would be general acceptance of:

(i) the 3-mile limit for territorial waters, and

(ii) a 12-mile contiguous zone in which the coastal state would have the full right to impose customs, fiscal, sanitary *and fishery* regulations.

(d) Unless a 12-mile contiguous zone including fishery control is recognized, Canada will support the general adoption of 12 miles as the breadth of the territorial sea.

It has to be expected that (c) (above) would be opposed by the United States and the United Kingdom as to fishery control. However, they could *not* oppose this solution on the basis of defence. It is possible that the United States might, in the end, be prepared to accept it if they thought that the alternative was pretty general support for a 12-mile territorial limit.

R.G. ROBERTSON

330. PCO

Note du Comité interministériel sur les eaux territoriales pour le Cabinet

Memorandum from Cabinet Committee on Territorial Waters to Cabinet

CABINET DOCUMENT NO. 240-56 Ottawa, November 30, 1956

SECRET. CANADIAN EYES ONLY.

The fifth meeting of the Cabinet Committee on Territorial Waters was held at 12:00 noon, on Friday, November 30th, 1956, in the Privy Council Chamber, East Block.

Present

Rt. Hon. Louis S. St-Laurent, the Prime Minister
Hon. L.B. Pearson, Secretary of State for External Affairs
Hon. R.H. Winters, Minister of Public Works
Hon. G. Prudham, Minister of Mines and Technical Surveys
Hon. James Sinclair, Minister of Fisheries
Hon. Jean Lesage, Minister of Northern Affairs and National Resources (Chairman)

Also Present

Mr. F.R. Miller, Deputy Minister of National Defence (in the place of the Minister of National Defence)
Mr. R.G. Robertson, Deputy Minister of Northern Affairs and National Resources
Mr. M.H. Wershof, Department of External Affairs
Mr. G. Sicotte, Department of External Affairs

Mr. Lesage referred to the meeting of Canadian and United States officials on November 2nd, concerning which a report had been circulated. It was clear that the United States, and also the United Kingdom were very strongly opposed to any general extension of territorial waters to 12 miles because of the consequences of such an extension for air and sea navigation and defence. Because of this position a compromise proposal had been worked out under which Canada would seek to secure its fishery objectives through urging the adoption of a contiguous zone of 12 miles, which would include complete rights of fishery regulation and proprietary rights in the fish within the zone. A memorandum on this proposal had been circulated.

The Prime Minister said it appeared that the proposal would, if adopted, achieve the fishery objectives. He was doubtful, however, whether it was feasible to argue for proprietary rights in fish within the contiguous zone. There were no proprietary rights in uncaught fish even in the three-mile limit of territorial waters. What was wanted was to have exclusive jurisdiction over the fish within the 12-mile zone, including in that jurisdiction the right of excluding fishermen from other States. He thought it would be satisfactory to argue in favour of such a position. If it were not agreed to, Canada could then adhere to the position that had originally been announced — that of favouring the 12-mile limit for territorial waters.

Mr. Pearson referred to the suggestion that Iceland might move a resolution favouring the adoption of the 12-mile limit for territorial waters. The first step would be for Canada to try to dissuade Iceland from taking any such action. If they could not be dissuaded, and if the resolution were advanced, the delegation would have to refer back for instruction as to the course they should take. A resolution had already been introduced in the Sixth Committee in favour of holding a Diplomatic Conference to discuss the Law of the Sea. It had been agreed that Canada should favour such a conference and should press for it to be in

1957 rather than in 1958 as the United Kingdom and the United States had been suggesting. Canada would have to make some statement of policy on that resolution.

The Prime Minister suggested that the statement of policy by Canada should be to the effect that it had become apparent that most States considered it essential to have adequate rights of control in certain essential fields to a limit of 12 miles off their coasts. These fields included customs regulation, sanitary control, and the regulation of fisheries. One way to achieve such measures of control was through the extension of territorial limits, with the complete jurisdiction that it gave, to 12 miles. However, it had to be recognized that such extension on a general basis could have serious repercussions in the realm of navigation and defence. The alternative approach would be the adoption of a contiguous zone of 12 miles to cover the fields referred to. To be adequate, however, the rights within such a contiguous zone would have to be as complete within the fields referred to as they would be if complete territorial jurisdiction existed. In other words, the line of approach in the Canadian statement should be that there were certain essential objectives that had to be achieved, instead of indicating specifically that Canada favoured one way or another of achieving the objectives.

Mr. Robertson referred to the fact that in discussions with the United States and the United Kingdom, Canadian officials had made the point that in addition to fisheries control another essential toward which Canada was working was the achievement of some set of principles that would recommend themselves for general adoption. Possibly the statement should also include some reference along these lines making it clear that a primary interest for Canada was working out a rule of law rather than having a continuance of the present disjointed state of affairs.

The Committee, after considerable discussion, agreed:

(a) That Canada should support the resolution that had been introduced in the Sixth Committee in favour of the calling for a diplomatic conference to consider the Law of the Sea and should seek to have the conference held in 1957, rather than at a later date, if possible;

(b) That a statement of Canadian policy should be made in supporting the resolution along the lines outlined by the Prime Minister, but without making the argument dependent too exclusively or definitely on the Canadian interest in fish; it should be made clear, nevertheless, that Canada would require the rights within 12 miles of the coast to include as complete control over fisheries as would be secured if territorial limits extended to 12 miles;

(c) That the Canadian delegation should try to dissuade Iceland, or any other country, from moving a resolution at the Sixth Committee in favour of the 12-mile limit for territorial waters but that if such a resolution were moved the delegation should seek further instruction as to how to vote on it; and

(d) That any statements or positions by the delegation should be such that they would not exclude Canadian support for the 12-mile limit of territorial waters if at a later stage it appeared that no agreement could be reached on a 12-mile contiguous zone, including adequate fishery controls.

R.G. ROBERTSON
Acting Secretary

331. DEA/9456-RW-40

Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Delegation to United Nations General Assembly

TELEGRAM LL-14 Ottawa, November 30, 1956

SECRET. IMMEDIATE.

Reference: Your Telegram No. 1364,† 1372† and 1483† of November 21, 22, and 29 respectively and conversation Robertson-Nutt.

TERRITORIAL WATERS

As explained over the telephone Cabinet Committee considered this morning memorandum of the Chairman of the Interdepartmental Committee dated November 21 together with a subsidiary recommendation relating to (a) the possible introduction by Iceland of a resolution for adoption of a twelve mile limit and (b) the proposed line of a possible statement of Canadian position in the Assembly[35] (based largely on statement contained in page five of Nutt's informal memorandum† of November 25.)

2. Cabinet Committee approved support of U.S. resolution contained in your telegrams Nos. 1364 and 1483 subject however to your endeavouring to enlist support (basically from U.S. and U.K. delegations) for convening of conference of plenipotentiaries during 1957 (see para. 3 of the U.S. draft resolution). Cabinet Committee is strongly in favour of every effort being made to have conference before 1958. If conference cannot (repeat not) be held before 1958 Cabinet Committee would, of course, prefer even late meeting to having substantial discussion at the Assembly now.

3. As regards possibility of Iceland moving resolution referred to above in favour of twelve mile limit, you are to urge Icelanders at once not repeat not to introduce it (Mr. Pearson has indicated he would be glad to telephone Mr. Thor Thors if you consider this would assist in our convincing the Icelanders of undesirability of their moving the resolution). The reasons which you can invoke in your attempts to persuade Iceland will be familiar to you: apart from those mentioned in Mr. Nutt's proposed statement referred to above, there would of course be advantage in pointing out to them the similarity of our interest with respect to twelve mile limit.

4. If Icelandic resolution is eventually introduced, however, ministers here will wish to reconsider our position before decision is taken as to how our vote should be cast. You should therefore in such a case seek instructions.

5. In the meantime we understand you will draft (on basis of telephone talk with Nutt) a statement to be made on Canada's position and will refer it to us for approval.

6. In explanation of the Canadian position the Cabinet Committee wish the argument to be on the basis of the importance for coastal states of having adequate control on essential matters off their coast to a distance greater than three miles. These controls should extend to twelve miles for customs, sanitary regulations and exclusive fishery rights, including in

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[35] Voir Nations Unies, *Documents officiels de l'Assemblée générale, onzième session, sixième commission*, 493e séance, le 7 décembre 1956, pp. 67-68.
See United Nations, *Official Records of the General Assembly, Eleventh Session, Sixth Committee*, 493rd Meeting, December 7, 1956, pp. 67-68.

the latter the complete right of regulation and the right to exclude non-coastal fishermen. The question is how best to secure this result. We recognize the difficulties for air and sea navigation from general adoption of twelve mile territorial limit; the alternative line of approach is through a contiguous zone of that width but rights within it must be as complete in the above fields as they would be with territorial limits set at twelve miles. Apart from these essential objectives the other consideration for Canada is the necessity for securing general agreement on a rule of law that can be recognized for world-wide application.

L.B. PEARSON

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332. DEA/9456-RW-40

La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Delegation to United Nations General Assembly
to Secretary of State for External Affairs

TELEGRAM 1530 New York, December 1, 1956

SECRET. IMPORTANT.

Reference: Your Tel LL-14 Nov 30.

THE LAW OF THE SEA

We spoke this morning to Andersen of the Icelandic Delegation. He does not repeat not propose to submit any resolution to the Committee. He said, however, that there had been a suggestion (and we assume it came from some of the Latin Americans) that the 20 Power Resolution (Norway has joined the sponsors) now before the Committee calling for a conference be amended to include a provision which would call on the conference to take cognizance of the special interest of a coastal state in exercising exclusive jurisdiction over the living resources of the sea in that area contiguous to its coasts. Andersen asked what we would think of such an amendment. We said, of course, that we agreed with the principle enunciated. We thought, however, that such an amendment dealing with a matter of substance might not be appropriate for inclusion in a procedural resolution calling for the convening of a conference.[36] In our view, the presence of coastal states at the conference would ensure that the principle would be taken into account by the conference and is in fact already included and recognized in the International Law Commission's recommendations. An attempt to include such a statement in the resolution, we thought, would give rise to a considerable amount of disputation in the Committee. If the suggestion were proposed and defeated, this would be an unhappy initiation for the principle. While we thought that we would be unable to oppose such an amendment if it were proposed, nevertheless on balance we thought it would be unfortunate if it were proposed. Our final attitude on such a proposal can only be decided in the light of an actual proposal.

2. Andersen said that he would have to make it clear that his delegation considers that the International Law Commission's articles should be considered here and now by the General Assembly, although he agrees that the idea of a conference will probably receive almost unanimous support. He is rather anxious that his delegation should not appear unco-

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[36] Note marginale :/Marginal note:
Tell Nutt we agree, but if it does come up, we'll have to vote for it. [Gilles Sicotte]

operative and stubborn but in the context of the recent agreement with the UK wherein Iceland has agreed to await the outcome of consideration of the Law of the Sea in the UN before pressing its maritime claims, he has no alternative but to advocate consideration by the UN now. In the alternative the Icelandic delegation would, of course, favour an early conference, but because he thinks that the way of handling the Commission's report is through the General Assembly rather than a conference Andersen said he would have to abstain on the vote for the 20 Power Resolution. He also mentioned that voting for the conference would tie his government's hands in respect of any action that it may wish to take between now and the conference. He did not say specifically however whether his government proposed to take any further unilateral action regarding jurisdiction over off-shore fisheries.

3. We informed Andersen that we would like to see the conference held in 1957. He, of course, agreed the sooner it were held the better. He thought that two months would be sufficient time in which to hold the conference and agreed with us that it would be feasible to hold it in the fall of 1957, say August and September. He has some views on where the conference should be held. He said he had heard suggestions emanating from the USA and the UK delegations that it might be held in Tokyo. He was opposed to this because he thought that a conference held in Tokyo would not repeat not be as widely attended as one held in Geneva or some other suitable European capital. He thought it was important to ensure that the conference was as widely attended as possible in order to ensure votes of those states which would, as he put it, favour the underdogs. We take it a European venue would be preferable to Tokyo. We should be grateful for your comments, particularly on the availability of Geneva say in August and September of next year. New York we think would be out of the question because there would be danger of overlapping with the regular session of the General Assembly in September.

4. Although there is apparently some talk in political circles in Iceland which contends that Iceland should exercise exclusive jurisdiction over off-shore fisheries over the continental shelf, Andersen said that Iceland would be prepared to accept a rule granting to the coastal state exclusive jurisdiction over fisheries with a 12 mile contiguous zone measured from straight base lines. We have also heard that the Mexicans consider that the west coast Latin American states would be prepared to settle for such a rule.

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333. DEA/10600-40

La délégation à l'Assemblée générale des Nations Unies
au sous-secrétaire d'État aux Affaires extérieures

Delegation to United Nations General Assembly
to Under-Secretary of State for External Affairs

LETTER NO. 42 New York, December 21, 1956

CONFIDENTIAL

INTERNATIONAL LAW COMMISSION'S DRAFT ARTICLES ON THE LAW OF THE SEA — CONSIDERATION BY THE LEGAL COMMITTEE OF THE GENERAL ASSEMBLY

The general debate on this question concluded on December 17 with sixty-one representatives having spoken.

2. For the most part delegations restricted their remarks to expressing their views on the twenty-three power draft resolution (A/C6/L385) to call an international conference and to a general statement of position on matters dealt with by the Report of the International Law Commission. These general statements of position gave prominence to the question of the breadth of the territorial sea and the related question of jurisdiction over off-shore fisheries.

3. The Soviet bloc, in addition to commenting on the breadth of the territorial sea, argued that piracy ought not to be considered as being capable of being committed by private individuals only but should be considered as being capable of commission by governments (e.g., the "Franco rebels" and the "Chiang Kai Shek clique"). They also stated that they could not subscribe to the provisions for compulsory arbitration in the International Law Commission's articles on fishing. India raised the question of the right to use the high seas for thermo-nuclear tests. Afghanistan, Austria, Bolivia and Nepal asked that the interests of non-coastal states be not overlooked. A number of states commented on particular articles of special concern to them, e.g., Liberia commented on the provisions regarding nationality of ships, Portugal on the right of one state (India) to encompass the territorial waters of another state (Goa), Venezuela on the rule regarding estuaries (the Orinoco) and the recommendation regarding the delimitation of territorial waters between two states (in the environs of the Gulf of Paria), Egypt on the right of visit of warships regarding the slave trade and so on.

4. Positions regarding the breadth of the territorial sea ranged from that of such states as the U.K., U.S., France, Netherlands, Denmark, which maintained that the three-mile rule is a valid rule of international law, to that of the Soviet bloc and some Latin American states (Venezuela, Chile, Peru, Ecuador), which contended that a state should have the right to determine within reasonable limits the breadth of its own territorial sea. India's view was that the outside limit might be twelve miles within which states would have the right to set their limits. Many states argued that one rule could not be applied to all countries.

5. There was virtual unanimity in the view that the coastal state has a special interest in the living resources of the sea in areas contiguous to its shore and a good deal of agreement that if this question were separated from that of the territorial sea and solved, the problem of the breadth of the territorial sea would virtually be solved. The suggestion has been made that the proposed conference first consider questions on which general agreement can be reached leaving the thornier questions, particularly the breadth of the territorial sea until the end. This seems a reasonable suggestion. It would be unfortunate if the lack of agreement on the breadth of the territorial sea should prejudice the Conference at least enunciating those principles and rules upon which general agreement is possible. Also if agreement can be reached on some régime for fishing the solution of the problem of the breadth of the territorial sea will at least be facilitated.

6. The U.S. and U.K. argued that the recommendations of the International Law Commission on fishing gave adequate recognition and protection to the interests of a coastal state on off-shore fisheries — under these articles the coastal state could, if necessary, regulate off-shore fisheries, subject to its being supported, if challenged by a fact-finding board and subject to its not discriminating against foreign fishermen. The U.K. suggested that where the fishing of a coastal state was being adversely affected by foreign fishermen, a prior right of appropriation might be recognized for the coastal state but that there was no justice in preventing foreign fishermen fishing off foreign shores where local fishermen just did not take advantage of the maximum yield. (This suggestion goes somewhat further than the International Law Commission's articles in meeting the positions of coastal states).

7. Some Latin American states (Chile, Peru, Ecuador in particular) argued that economic necessity required that they be able to regulate off-shore fisheries having regard to the areas in which the various fish occur. They did not intend, they emphasized, to interfere with the freedom of navigation nor, for that matter, did they desire to exclude foreigners; they claimed to be concerned only with the right of regulation. They argued that the solution had to be worked out on a regional basis.

8. There was virtually no support for the idea we broached of a contiguous twelve-mile zone in which exclusive fisheries control might be vested in the coastal state. Ireland suggested the idea might be worth exploring and New Zealand hinted that the suggestion might have possibilities. However, it was quite clear that delegations were more intent on setting out their governments' present thinking than on proposing compromises. (We have heard from a member of the U.K. delegation that a number of delegations (unnamed) have suggested to them privately that the Canadian proposal may be worth considering.) Obviously there must be give and take or the conference will surely fail. This point was urged by Professor François, who has been rapporteur of the International Law Commission in its study of this problem, in a statement at the end of the General Debate, underwriting our and other delegations' plea that states approach the conference in a spirit of compromise. François made some rather broad suggestions regarding compromise on the breadth of the territorial sea which were not far removed from our suggestion for a contiguous zone in which states might exercise exclusive fisheries jurisdiction.

9. Iceland agreed that there must be a zone wherein a state has exclusive fisheries jurisdiction no matter what the zone is called. It was suggested that the proper solution is not an arbitrary limit to be applied to all states. There was a further suggestion that Iceland may be aiming in the long run at exclusive jurisdiction over fishing over the continental shelf. At any rate Iceland considered the coastal state should be the judge of the extent of its jurisdiction.

10. Only one state offered to retreat from its present position: Greece, now a six-mile adherent, agreed to accept a three-mile limit if neighbouring Mediterranean states would do likewise.

11. It seems quite clear from the debate that the freedom of seas for navigation is generally conceded to be important. The "three-miler's" claim that an extension of the territorial sea would impinge upon this freedom and the "more than three-miler's" contend that it does not and anyway, there is the right of innocent passage in the territorial sea. Clearly, however, the crux of the problem is fish. A solution to this problem will probably not result in general acceptance of the three-mile territorial limit, since states which have already proclaimed the twelve-mile limit will be reluctant for reasons of pride or fear or contrariness to retrench. However, if the fishing problem can be solved, undoubtedly the question of the breadth of the territorial sea will be relatively easier to solve.

12. The problem is to resolve the right of the coastal state with the right of the non-coastal fishing states. The International Law Commission recommendations provide a basis of such a compromise, though it appears that most coastal states with off-shore fisheries wish to have an unfettered right of regulation in areas contiguous to their coasts extending in some case out two hundred miles. Between these extremes and the International Law Commission recommendations, our proposal, taken with the International Law Commission articles, might provide some basis for agreement on the other hand. The United Kingdom suggestion mentioned in paragraph 4, when taken with the International Law Commission's articles on fishing, could provide the basis for a flexible régime on fishing, which would take into account the special interest of the coastal state, and indeed

make provisions for safeguarding this interest, but at the same time would safeguard the fishing interests of other states.[37]

J. NUTT

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334. DEA/10600-40

Le sous-secrétaire d'État suppléant des États-Unis
au secrétaire d'État aux Affaires extérieures

Deputy Under-Secretary of State of United States
to Secretary of State for External Affairs

CONFIDENTIAL Washington, December 22, 1956

Dear Mike [Pearson]:

I thank you for your letter of December 6† on the current discussion in the Sixth Committee of the General Assembly on the International Law Committee's report on the law of the sea.

We were, of course, most happy that your Delegation took a stand in favor of the three-mile limit of territorial waters. But I should be less than frank if I did not tell you that your Government's position favoring a contiguous fishery zone has raised serious questions. It is a cause of very real concern here.

Meanwhile, passage seems assured for the resolution sponsored by the United States and other countries for a world conference on the subject of the law of the sea.

We shall, I hope, have an opportunity to talk over the fishery question in the near future.

Sincerely yours,
ROBERT MURPHY

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[37] L'Assemblée générale a approuvé la résolution préliminaire de la Sixième Commission le 21 février 1957. Pour obtenir le texte de la résolution 1105 (XI) de l'Assemblée générale, voir *Yearbook of the United Nations 1956*, New York: Office of Public Information, United Nations, 1957, pp. 382-383.

The General Assembly approved the draft resolution of the Sixth Committee on February 21, 1957. For the text of General Assembly resolution 1105(XI), see *Yearbook of the United Nations 1956*, New York: Office of Public Information, United Nations, 1957, pp. 382-383.

335. DEA/10600-B-40

Extrait du procès-verbal de la réunion du Comité interministériel sur les eaux territoriales

Extract from Minutes of Meeting of Interdepartmental Committee on Territorial Waters

SECRET. CANADIAN EYES ONLY. [Ottawa], March 27, 1957

Present

Mr. R.G. Robertson, Deputy Minister of Northern Affairs and National Resources, (Chairman)
Mr. J.S. Nutt, Department of External Affairs
Mr. S.V. Ozere, Department of Fisheries
Mr. J.E.R. Ross, International Boundary Commissioner
Mr. N.G. Gray, Department of Mines and Technical Surveys
Mr. M.W. Cunningham, Privy Council Office (Secretary)

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II. HISTORIC FISHING RIGHTS

Mr. Nutt suggested that it would be advisable to develop a reply that could be given to representatives of governments who were expressing interest in the meaning of the term "historic fishing rights" that the Prime Minister had referred to in his statement in the House of Commons on July 30, 1956.

The Committee, after discussion, agreed that External Affairs officials should take the following line in replying to such inquiries:

> There being no question at the moment of a unilateral extension of territorial waters, or exclusive fisheries control, we consider it premature to discuss the question of 'historic fishing rights' in particular cases. We assume that fishing interests in general will be taken into consideration during negotiations for a general Convention at the forthcoming International Conference on Territorial Waters in 1958. If at any time there were to be a question of unilateral action by Canada, then, as the Prime Minister inferred in his statement of July 30, 1956, in the House of Commons: 'we should certainly wish to discuss the question of fisheries with States which have fisheries interests in the areas which might be affected'.

III. INTERESTS OF FRANCE IN CANADIAN TERRITORIAL WATERS

The Committee discussed a letter dated February 13, 1957,† from the Under-Secretary of State for External Affairs to the Chairman, dealing with enquiries from the French Ambassador to Canada regarding French interests in Canadian territorial waters. Concerning the Canadian position which the French understood calls for a possible extension of territorial waters from 3 to 12 miles, the Ambassador had made three points:

(a) Presumably the rights of French fishermen, under the Convention between the United Kingdom and France signed at London, April 8, 1904, would not be affected as a result of such an extension.

(b) It would be necessary to determine the boundary between French and Canadian territorial waters in the vicinity of St. Pierre-Miquelon if territorial waters were extended 12 miles in order to avoid an overlap.

(c) If territorial waters were to be extended to 12 miles, it was considered that a Franco-Canadian agreement would be desirable to clarify the position concerning points (a) and (b) above.

The Committee agreed that a reply along the following lines should be given to the French Ambassador:

(a) It was not intended that the rights of French citizens under the Convention between the United Kingdom and France, signed at London on April 8, 1904, should be affected by any possible extension of Canadian territorial waters.

(b) In the event of an extension of Canadian territorial waters it would be desirable to reach agreement on the boundary between Canada and St. Pierre-Miquelon in the waters separating them.

(c) The Government of Canada would be pleased to discuss these two questions with the Government of France when this became necessary.

IV. INTERESTS OF GREAT BRITAIN IN CANADIAN TERRITORIAL WATERS

The Committee recalled that some months previously the High Commissioner for Canada in the United Kingdom had asked if any thought had been given to the status of United Kingdom fishing rights off the Newfoundland and Labrador coasts, and if it was the intention to respect the historic fishing rights of a non-foreign state, such as the United Kingdom and perhaps Ireland, that, in the nature of the case, could never have been confirmed by treaty.

The Committee, after discussions, agreed that the question ought to be mentioned to the United Kingdom authorities on a suitable occasion, but that we should not take the initiative now in broaching the question to them. It was expected that a suitable occasion would arise early this summer when it was contemplated that the High Commissioner would be asked to pass on to the United Kingdom authorities an advance copy of the Canadian Government's comments on the International Law Commission's recommendations on the Law of the Sea. However, should the High Commissioner be approached by interested officials, then there would be no objection to his making an explanation. The Committee considered that the point to be made, at least initially, was that the Canadian Government had no knowledge of any United Kingdom fishing interests off the east coast of Canada that might be affected by an extension of Canadian territorial waters to 12 miles or, alternatively, the establishment of Canadian control over fisheries in a 12-mile contiguous zone. If the United Kingdom Government raised in specific terms the possibility of some recognition for whatever rights, either present or future, it might consider it had in areas off the east coast of Canada that might be affected by an extension of territorial waters, they should be told that the matter would have to be considered by the Canadian Government.

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SUBDIVISION IV/SUB-SECTION IV

ALGÉRIE
ALGERIA

336. DEA/12177-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], March 22, 1956

POLITICAL CONSULTATION IN NATO — ALGERIA AND CYPRUS

1. It has been suggested that the North Atlantic Council should discuss the Cyprus dispute and the Algerian question; and that if member states are not prepared to discuss these problems which involve the vital interests of certain members and of the alliance as a whole, there is not much point in pursuing political consultation in NATO. As you know, there has been a general reticence in NATO to tackle questions involving dependent territories. However, there is some evidence that the administering powers may not be content much longer to leave these urgent problems outside the field of political consultation. It, therefore, seems an appropriate time to take stock of our attitude toward political consultation in NATO and how our interests would be effected by a discussion of Cyprus and Algeria.

2. The purposes of political consultation in NATO are, generally speaking, to reinforce and consolidate the unity, effectiveness and prestige of the alliance and, where possible, to concert action on common problems in order "to promote stability and well-being in the North Atlantic area." The question is: would these purposes be served by considering in the North Atlantic Council the international problems and difficulties which certain member states are encountering in their dependent territories? To answer this question, it is necessary to consider the significance and implications of such specific problems as Cyprus, Algeria and Goa, and it at once becomes apparent that no precise criteria could be established for determining what political problems should be the subject of consultation in NATO. Consequently it is necessary to examine each particular problem on its merits and to ascertain how far consideration of it in NATO would serve the main aim of political consultation — the strengthening of the alliance.

3. An analysis of this context of the two immediate problems of Cyprus and Algeria may serve not only to illustrate the difficulty of delineating definitive criteria for political consultation but also as a preliminary exercise in assessing the boundaries beyond which NATO should not seek to exert political influence.

4. Attached to this memorandum are two papers which present a few ideas on the subject of Algeria, and the question of Cyprus.[38] With regard to Algeria I had come to the tentative conclusion that NATO should not discuss Algeria in order simply to note the nature of the situation, but should only take up the question if it were believed that there was something that NATO as a whole could do. Specifically, we should not take the lead in pressing for consultation in Algeria unless we were prepared to present some ideas on the subject and

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[38] Voir/See Document 601.

to back them up. And this *might* in the long run mean economic and military involvement by Canada in North Africa.

5. At the same time NATO is to all intents seized with the problem because of the French attempt to secure a declaration of NATO support for their policies. And the French have agreed to include Algeria as part of the item "Review of the Current International Situation" at the next ministerial meeting. I do not think that this kind of semi-consultation on a matter which NATO can hardly ignore will help towards a solution of the problem, but we may have to accept it as a *pis-aller*.

JULES LÉGER

[PIÈCE JOINTE/ENCLOSURE]

Note du chef de la Direction européenne

Memorandum by Head, European Division

CONFIDENTIAL Ottawa, March 19, 1956

NATO AND THE QUESTION OF ALGERIA

The attitude of the French Government toward NATO political consultation in Algeria is not clear. Mr. Wilgress has pointed out that the French are very sensitive to outside interference on this question because of the large French population in the territory and the contention that it is part of metropolitan France. Nevertheless, there have been suggestions in the National Defence Committee of the French Assembly that the nation's NATO role should be redefined to take into account the strategic importance of North Africa and the contribution France is making by maintaining law and order there. Recently, when the French Representative explained to a secret session of the Council the reasons for further substantial withdrawals to Algeria of French troops which had been committed to NATO, he emphasized that events in Algeria are closely related to developments in the Middle East and that, coinciding with the lessening of East-West tension and the reorientation of Soviet tactics, the French action would not seriously imperil European security. There has been no disposition on the part of the other NATO members to have a full-dress discussion on Algeria, but the Supreme Allied Commander Europe has recently stressed the desirability of discussing the grave situation which arises out of both the strategic importance of Algeria and the extent to which the situation there is sapping the strength of NATO defences in Europe.

2. What would be the probable outcome of political consultation on this problem? At this stage in the development of NATO, the outward solidarity and internal unity of the alliance are very important and unless there are other overriding considerations it is not desirable to introduce problems which would tend to weaken or divide NATO. A thorough airing of the Algerian question would give France an opportunity fully to explain her position and her policies, and it might ameliorate some of the frustration which France must feel at having to handle alone and outside NATO a situation so vital to her national interests and the stability of the North Atlantic area. The United Kingdom and other members that administer dependent territories might share this French satisfaction to some extent. On the other hand, Norway, one of the most outspoken advocates of close political consultation in NATO, has made quite clear that it is strongly opposed to NATO becoming involved in any way in the Algerian problem, and there are other members that have had misgivings about French North African policy (e.g. United States, Denmark, etc.). There is also a real danger

that a discussion on Algeria might lead to recriminations against France which would only exacerbate the situation.

3. The next question is whether political consultation on Algeria would increase the effectiveness of NATO. There are certainly strong arguments which can be advanced concerning the strategic significance of this territory, and action to remedy the military situation in Europe caused by the withdrawal of French troops can hardly be discussed realistically without reference to Algeria. Moreover, the loss of Algeria would be a severe blow to France and the French economy and would decrease the effectiveness of that country as a NATO member. It would also probably make the retention of U.S. bases in Morocco very difficult. It can also be argued that constructive French policies in North Africa have been, at least in part, a consequence of international pressure and that a little more applied indirectly through NATO might lead toward some solution to Algeria. Nevertheless, the latter is an extremely theoretical and tenuous contention, and it is difficult to see how political consultation on this question could contribute really substantially to the effectiveness of NATO as an organization for collective defence and the preservation of peace and security.

4. There is also the question of the prestige of NATO. As you know, there have been a few insinuations (particularly from Egypt and India) that NATO is supporting the French campaign of military repression in Algeria and that, at the very least, members of NATO are condoning the despatch of French forces and equipment to be used in the suppression of nationalism in North Africa. Although steps have been taken to refute these inferences before they gained credibility, the suspicions have lingered and have been maintained to some extent by Portuguese suggestions to the effect that NATO support would be forthcoming in Goa and that NATO should form the nucleus of a crusade to preserve the political *status quo* in Europe and Africa. To the Asian-African nations, Algeria is a clear cut question of colonialism. It was a major international issue at the last session of the United Nations General Assembly. Whatever the outcome of political consultation on this subject in NATO, therefore, it is likely that the prestige of the alliance would suffer severely in Asian-African eyes from being characterized as an organization active in the perpetuation of colonialism. Although we should not cringe before the big stick of anti-colonialism, I wonder whether we should wilfully expose NATO, at this time, to the full fury of fanatical nationalism and racism. Even though the talks are in theory secret, I presume it would be difficult to keep at least some mention of them from becoming public.

5. If NATO were to discuss the situation in Algeria without the principal powers having well in advance some clear idea of what they expected to gain from it, and with the express approval of France, there is a danger of a number of countries criticizing the French, and the latter then asking for explicit support, perhaps material as well as moral, in their campaign to pacify the country. Though the French up to now have been frank in stating that they thought Algeria was purely a French problem, and all they wanted from their allies was political support, they might, in the light of general NATO concern over the effect of Algeria on the European sector of NATO, seriously ask for our assistance. The suggestion might also be made that the North American members should make up the gaps in Allied Command Europe.

6. I should, therefore, like to suggest that we delay any move to discuss French North Africa in the Council (except possibly in the manner the French have suggested, as part of the item "Review of the Current International Situation"), until we can thoroughly explore some ways by which the problem of French North Africa can become a matter openly recognized as a concern of the whole alliance.

7. I for one find it very difficult to think of anything very concrete which NATO could do, certainly not with regard to Algeria alone since the French are very insistent on the special position of Algeria as a part of metropolitan France, and are suspicious of the ambitions of other powers in this area. We would, therefore, have to talk of French North Africa as a whole. The French may think they can give independence to Morocco and autonomy to Tunisia without moving in the same direction in Algeria, but this seems to be highly unlikely.

8. The problem essentially is that French North Africa is vital to the position of France as a great power. At present it can only be maintained by a military and economic effort, which over a long period will be impossible for France to maintain except by abdicating her position in Europe. Therefore France must either have outside help, or make a compromise in Algeria comparable to those made in Tunisia and Morocco.

9. The continued strength and prestige of France are equally vital to NATO, as are the bases, man-power and resources of French North Africa. It is, therefore, as essential to NATO as it is to France that a solution be found quickly, one which will at the same time preserve French strength, and the co-operation of the North Africans.

10. The French having come a very long way in the last year in Morocco and Tunisia should not, in my opinion, be pushed too hard by NATO to make compromises in Algeria. They will reach the decision that this is necessary in due course by themselves. However, if it is felt that NATO must intervene, then we have the alternatives of either helping the French morally and materially to suppress the revolt and to maintain their position in French North Africa, or of putting pressure on the French to give autonomy to the Algerians and at the same time of assisting both the North Africans and the French to adjust economically and politically to the new situation.

11. I imagine we would be disinclined to consider the first alternative, particularly when the French themselves cannot make up their minds what kind of a régime they want to give to Algeria. As far as the second is concerned, could the NATO powers not tell the French now that they recognize the importance of French North Africa for the alliance as a whole, that they commend the French for the measures they have already taken, and that they would be prepared to assist the whole area in the event that the Algerians agreed to work out with the French a plan for the gradual acquisition of self-government? This could take the form of economic assistance, and I think we ought to recognize that economic aid is possibly more essential to retain this vital area than it is in, say, Burma. Politically, we could try to persuade the French to move with the times in Algeria, at the same time counselling the North Africans to accept a compromise formula. We could agree to support Morocco as a candidate for membership in the United Nations, and possibly consider some form of eventual association with NATO. I think a programme along these general lines might help the French, and at the same time be acceptable to the North Africans by showing them that they were dealing with the alliance as a whole and not just the French, particularly if an imaginative economic scheme was also dangled before them.

12. We ought in theory at the same time to tell the French that NATO could not give them any material support if they were not prepared to compromise in Algeria, but this would be pretty difficult to do. We have to remember the serious internal problems of the French in having to deal not only with the Arabs but also with their own nationals in Algeria. All this ought to be explored pretty carefully with the interested countries.

13. To conclude, I do not think that political consultation on Algeria without a definite programme would serve to strengthen NATO. However, if the present situation, where more than 200,000 French troops are attempting to contain about 15,000 rebel guerrillas,

should change in such a way that a real threat to NATO security arose — if, for example, Egyptian support of the rebel cause became active intervention — military necessity might outweigh the political objections.

[R.A.D. FORD]

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337. DEA/12410-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], May 22, 1956

FRENCH NORTH AFRICA, NATO AND WESTERN MEDITERRANEAN DEFENCE

1. During the next two or three weeks the French Government hope to conclude Conventions with the Moroccan and Tunisian Governments which will define the new relationship of "interdependence" between these independent countries and France. These Conventions are intended, in accordance with the terms of the Protocols establishing independence, "to define their co-operation in the domains in which they have common interests, particularly in matters of defence and foreign relations". From a NATO point of view, the most important feature of the current negotiations is the future relationship to be established between France and her former North African territories. All partners in the Western Alliance have a keen and perhaps a vital interest in the maintenance of United States Strategic Air Command bases in Morocco. There are also a number of subsidiary defence interests of NATO countries, including at the present time the naval base at Bizerta and some facilities near Rabat for RCAF air gunnery training, which would be lost if Tunisia and Morocco should fail to agree upon mutually satisfactory defence arrangements either with France, with NATO, with the United States, or with some new grouping.

2. Of no less importance, is the future political orientation of Tunisia and Morocco. The question is whether economic dependence and the beginnings that have been made in Western political, economic and social institutions will prove strong enough to resist the pulls of religion, race and tradition towards Cairo and the Arab League. That is a contest Paris alone is, in our opinion, likely to lose, unless she has the courage to follow in Algeria the logic of her policies in Tunisia and Morocco, and unless she has the practical help — and not merely the moral support — of her principal Western partners.

3. While we have at present little information on the course of the current negotiations between France and Tunisia and Morocco, we already know from public and private statements particularly of Tunisian Government leaders, that the chief obstacle to reaching a satisfactory settlement on "interdependence" with France is the situation in Algeria. M. Bourguiba, the Tunisian Prime Minister, has recently stated that he would be unable and indeed unwilling to prevent assistance reaching the Algerian rebels from Tunisia, and he has not ruled out Tunisia permitting training facilities and refuge for Algerian rebel bands. In our opinion it is not too much to say that the future relationship of both Tunisia and Morocco with France and with the West will depend upon the success of the French Government in applying a liberal solution to Algeria within the present year which will set Algeria upon the same road towards independence as has been piloted by Tunisia and Morocco. For legalistic arguments about the differences in status between Algeria and the

rest of North Africa are becoming increasingly irrelevant in terms of North African (and United Nations) policies.

4. We shall not discuss in this paper the future status of Algeria and the possibilities of the French Government pursuing successfully a policy which, as M. Pineau told the Ministerial meeting of the Atlantic Council earlier this month, might make provision for the separate co-existence of Moslem and French communities in Algeria. Certainly there seems little prospect of reaching a solution without involving either the downfall of the French Government, a civil war in Algeria with the French *colons*, or a policy of active repression directed against almost the entire Arab population of Algeria by most of the French Army — about 400,000 of them. To that extent, therefore, we may be justified in anticipating that satisfactory bilateral defence arrangements between France, and Tunisia and Morocco will not be negotiated, or, if they are, their future will be precarious, depending chiefly on Algerian developments.

5. It is for this reason that we have begun to wonder if a multilateral approach to the problem might not be more fruitful. No doubt the United States will give first priority to securing its own base rights through a bilateral agreement with Morocco. But from the broader point of view of maintaining a defence relationship between Western Europe and Morocco and Tunisia, we should perhaps examine the possibilities either of a NATO link or of a Western Mediterranean Pact.

6. From the point of view of the future of NATO, and from the point of view of the Moroccan and Tunisian Governments, I can see many more disadvantages than advantages in trying to bring Tunisia and Morocco into NATO. As the French have recently told us, the Scandinavian members of NATO would be strongly opposed to the admission of the North African countries. No doubt other members of NATO who look for the continued exclusion of Spain[39] would also oppose them. Indeed an Atlantic "Community" which included Tunisia and Morocco would be a very strange paradox.

7. The political difficulties for the Tunisian and Moroccan leaders would be at least equally great. In spite of M. Bourguiba's statement last month indicating that he would be open to an invitation from NATO, we must take into account the pressures which will be applied from Cairo to frustrate any such move — and these pressures are bound to become more effective the longer an Algerian solution is postponed. We can anticipate that within a month most of the Arab States will be represented in Rabat and Tunis and that, probably at the next session of the General Assembly, the two countries will be installed as members of the United Nations and welcomed into the Afro-Asian group in New York.

8. While I hope that our analysis proves to be unduly pessimistic, the only remaining possibility would appear to be a Western Mediterranean group which, because of its multilateral character, might prove more acceptable to the Tunisians and Moroccans than bilateral agreements with France, and, because it would be outside of NATO, less objectionable to the Arab States. Such a grouping would obviously have to include France, Tunisia, Morocco and Spain — the latter because of the unification of Morocco and Spanish Morocco as an independent state foreseen by the Spanish-Moroccan Protocol of April 7. If Algeria were ever to become independent, it would also be a member of such a grouping. Because of Gibraltar and Malta, the United Kingdom might wish to be included; and because of its bases in Morocco, the United States would almost certainly come in too, for both the United States and United Kingdom have important strategic interests in the area.

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[39] Note marginale :/Marginal note:
I agree L.B. P[earson]

In these circumstances, Italy and Portugal might round off the Western Mediterranean Pact.[40]

9. Such a Pact, outside of NATO but including NATO members, would form the counterpart in the Western Mediterranean to the Balkan Alliance. If it could be negotiated, it would have an important bearing on the future development of NATO and therefore might also be considered in connection with the studies of the Committee of Three. One of its more attractive features is the possibility which it would give of fitting Spain into some multilateral Western defence agreement without including Spain in NATO. It would put on a multilateral basis not only the defence arrangements with what used to be French North Africa, but would also place in a larger and possibly more useful framework the Spanish-American, the Portuguese-Spanish, and the Portuguese-United Kingdom agreements. But the chief virtue, as we see it at present, is that there may be more hope by this device of maintaining effective defence, political and economic ties between the principal members of the Atlantic Alliance and the immensely important North African territories. For only by means of strong bonds freely negotiated by representative governments can Western Mediterranean sea communications and North African air bases be assured, to say nothing of the importance of North Africa in terms of the coming struggle for the allegiance of the emerging peoples of Africa.[41]

10. Since a Mediterranean Pact was originally proposed by the Spanish Government, they would no doubt welcome the type of arrangement we have in mind. The original Spanish proposal (put forward informally to Marshal Papagos during his visit to Madrid in November, 1954) would have included all the states bordering on the Mediterranean including the Arab states and would not so far as we know, have included the United Kingdom or the United States. A Western Mediterranean Pact, including the United Kingdom and the United States and excluding the Arab states, Greece and Turkey, would, therefore, be a very different proposal, but one which I think has a much better chance of success. From the first, the Greeks were notably unenthusiastic about the Spanish proposal which they saw as weakening their connection with NATO and diluting Mediterranean defence with a number of incompatible elements, based on geography alone rather than common interest and traditions. Judging from this reaction, which was, I believe, largely shared by the Turks, I think we can take it that neither the Greeks nor the Turks would regret their exclusion from a Western Mediterranean Pact.

11. Nevertheless, the idea is sufficiently close to the original Spanish proposal that the Spanish Government could be encouraged to take some credit for the suggestion and thus make a contribution to its present objective of rehabilitating itself in the international community.

12. Both Gibraltar and Tangier would present difficulties. The United Kingdom Government is already thinking of revising the international statute governing Tangier, so that this question will probably come up for international negotiation in any case within the next year.

13. As for Gibraltar, the deadlock on the question of sovereignty remains as complete as ever. However, provided the Spaniards were content to let the sovereignty issue rest, they might receive some satisfaction by means of an international defence agreement which might provide for joint use of military installations such as Gibraltar in time of war.

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[40] Note marginale :/Marginal note:
There is much to be said for this idea [L.B. Pearson]

[41] Note marginale :/Marginal note:
I agree [L.B. Pearson]

14. A Western Mediterranean defence treaty might, therefore, contribute to a solution of both these international issues, at least in their defence aspects.

15. Perhaps the main objection to any proposed regional defence arrangements for this area is that regional defence pacts are going out of fashion. The United States administration has been taken to task, both by its foreign and domestic critics, for placing too heavy an accent in its foreign policy on regional alliances for purely military purposes.

16. Both the Arabs who look to Cairo for leadership, and to a lesser extent the Russians, would be bound to react to the formation of a Western Mediterranean Pact which would so seriously cut across the ambitions of Colonel Nasser for leading the Arab Nationalist revival throughout the area from Casablanca to the Persian Gulf.[42] In his eyes such a treaty would be no more welcome than the Baghdad Pact. It is also possible that it might upset the Russians to such an extent that they would refuse to go through with their promises of cooperation in the pacification of the Middle East. (Certainly the French have found no sympathy in Moscow for their Algerian difficulties.)

17. In addition, the Indians and other Asians would suspect that any Western Mediterranean Pact including North Africa was a cover for the return of "colonialism" to territories which France had found itself unable to hold alone. While these disadvantages would have to be weighed against the possible advantages of a Western Mediterranean Pact, Arab and Asian reactions might be somewhat mitigated by adding an economic section to the treaty. This might even go beyond the economic provisions of the Baghdad Pact, although this is not an altogether happy analogy.[43] Certainly some way will have to be found for the continuation of Western European and particularly French capital development and economic assistance for Tunisia and Morocco. For the next few years, Tunisia and Morocco are almost bound by the established trade patterns to rely heavily on France to bridge the fiscal gap in their economies. And the dependence is not all one way. Last year French trade with North Africa (imports and exports) was twice as large as her trade with Germany and three or four times her trade with the United Kingdom.

18. As an indication of the minimum scale of the effort required, the French Government has budgeted about $225 million for economic assistance for Tunisia and Morocco next year. No doubt foreign help would be welcome in carrying this burden or increasing the pace of development, especially since private investment from France has virtually dried up. The Spanish-American Agreement of 1953 already provides for United States assistance to Spain in economic development in exchange for military facilities to be developed by the United States on Spanish territory for their joint use. A similar pattern may be followed by the United States in the prospective negotiation with Morocco. An economic section to a Western Mediterranean Treaty could, therefore, be an integral part of the military arrangements as well as providing a more palatable document than a pact dealing only with military arrangements. It might, for example, provide for the accession to the economic portion of the Treaty of potential donors who had no direct defence interests in the

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[42] Note marginale :/Marginal note:

The objections of Nasser would be more understandable than any from the Russians. Could it become formally a regional ass[ociatio]n under the UN Charter [L.B. Pearson]

[43] Note marginale :/Marginal note:

Indeed, if such a Pact was to be negotiated the economic side should be played up and the military played down [L.B. Pearson] area but recognized the need to strengthen Western ties with North Africa in every possible way.[44]

19. In any case, a regional pact of this character outside of NATO might provide a better vehicle for economic assistance to Morocco and Tunisia than any arrangements which might be devised under NATO or bilaterally with France.

20. By treating the defence and economic development of the Western Mediterranean region as a separate problem outside of NATO, the Atlantic powers would be free to develop the political aspects of the NATO alliance in a way which would be much more difficult if Spain, Morocco and Tunisia were to be brought into NATO. At the same time, such regional arrangements might make it unnecessary to apply surgery to the present NATO structure, with all the painful difficulties which this would entail. The only change that would be required in the text of the North Atlantic Treaty — and then only if Algeria were included — would be a revision of Article 6 which at present refers to the NATO area as including "the Algerian Departments of France".

21. Since Canada would presumably not be a member of a Western Mediterranean Pact, our only justification for raising the suggestion would be your role as a member of the Committee of Three. The development of the Western Mediterranean in the next ten years will be bound to have a major effect not only on the future of France as a Great Power, but on the character and potentialities for growth of the Atlantic Community and NATO as an institution.

22. It is potentially of the greatest importance for the Western countries to establish the friendliest possible relations with the emerging North African States. If this can be done chiefly through the perpetuation of a special relationship with the French, well and good. No doubt bilateral Conventions of a sort will be negotiated and ratified. The French can be expected to cling with great tenacity to their special position in North Africa, for economic as much as for defence reasons, and would not welcome multilateral arrangements unless they themselves had clearly failed bilaterally. They will not be willing to acknowledge failure quickly. But if the principal NATO powers, including France, find during the next year that a multilateral treaty relationship would produce a more effective link between the Western States and Tunisia and Morocco than anything that can be negotiated bilaterally covering defence and economic aid, then it should be examined.

23. Colonel Nasser's reactions would, of course, have to be taken into account. He could probably accept bilateral defence arrangements but react vigorously to any Pact which he might interpret as challenging his leadership of the Arabs. So far, however, the Tunisian and Moroccan leaders have shown no disposition to follow his leadership. Potentially, Tunisia and Morocco — and perhaps in the future Algeria as well — could provide the West with the same kind of bridge with the Arab world as the Asian members of the Commonwealth have given us during the past ten years with the emerging countries of their region. The other side of the coin is that a Western Mediterranean Pact would help to prevent the emergent Arab States of North Africa from drifting out of the Western sphere.

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[44] Note marginale :/Marginal note:
Congress would be the USA difficulty here! [L.B. Pearson]

I hope, however, to deal in greater detail with this question in a separate memorandum discussing the possibility of establishing diplomatic relations with Tunisia and Morocco.[45]

24. If you think a Western Mediterranean Pact is an idea worth adding to the collection of suggestions to be examined by the Committee of Three, you may wish us to send a circular telegram to our NATO missions inviting their comments before your trip to Washington on June 9.[46] If you wish us to do this, I should be grateful for any comments you may wish to make on the suggestion as it has been sketched out in this preliminary paper. I should think that in any case the viability of the idea would depend chiefly upon whether it interests Mr. Dulles — and this in turn may depend upon the outcome of the current negotiations between the French and the Tunisians and Moroccans, although in the long run it may hinge more directly upon the evolution of Algeria.

25. I am enclosing an interesting background paper† which we have just received from our Embassy in Paris on "The Significance of North Africa Today".

R.M. M[ACDONNELL]

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338. DEA/12177-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], May 23, 1956

ALGERIA — FRENCH REQUEST FOR CANADIAN SUPPORT IN OPPOSING UNITED NATIONS INTERVENTION

On May 19 the French Ambassador telephoned Mr. Holmes before leaving for Halifax to say that he was sending us a memorandum on the Afro-Asian initiative in suggesting that a Special Session of the General Assembly be convened to consider the Algerian question. Mr. Lacoste asked us to give the memorandum, which is attached, the same consideration as if he had presented it himself.

2. The memorandum stresses the great importance which the French Government and French public opinion attach to securing the support of their friends in opposition to United Nations intervention in "the pacification of Algeria".

3. There would, I think, be a good deal to be said for replying orally to the French Embassy's memorandum,[47] but if, in order to prevent the French Government interpreting

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[45] Voir le volume 23, 6e chapitre./See Volume 23, Chapter 6.

[46] Note marginale :/Marginal note:

I think that I should discuss this first with Dulles [L.B. Pearson]

Pour obtenir un compte rendu des discussions de M. Pearson avec M. Dulles à ce sujet, voir le document 524.

For the record of Pearson's discussions with Dulles on this subject, see Document 524.

[47] Note marginale :/Marginal note:

this seems the preferable course [R.M. Macdonnell] our reply as giving them more definite assurances of support than we intend,[48] you prefer to reply in writing, then I suggest that we should at this stage be as sympathetically non-committal as possible regarding the question of inscription at the next session of the General Assembly. I take it that we could, however, assure them definitely of our support in their opposition to a Special Session on Algeria in the meantime. A draft reply in this sense is attached for your approval. (It would be transmitted in French.)[49]

R.M. M[ACDONNELL]

[PIÈCE JOINTE/ENCLOSURE]

Projet d'une note pour l'ambassade de la France

Draft Note to Embassy of France

The Department of External Affairs acknowledges the French Embassy's memorandum of May 19 concerning the possibility of United Nations intervention in the Algerian question. The Department wishes to assure the French Embassy that the Canadian Government would oppose a request to convene a Special Session of the General Assembly to consider the question, and would be prepared to give full support to French opposition to this proposal.

2. The Department of External Affairs also realizes that the Afro-Asian group of Delegations in New York may be using their tentative request for a Special Session as a means of securing commitments of support for the inscription of the Algerian question on the agenda of the next regular session of the United Nations General Assembly. The Canadian authorities will welcome continued close consultation with the French Government on this question.

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339. DEA/12177-40

Note du sous-secrétaire d'État aux Affaires extérieures pour la Direction européenne

Memorandum from Under-Secretary of State for External Affairs to European Division

CONFIDENTIAL Ottawa, November 15, 1956

ALGERIA

On instructions from his Government the French Ambassador dropped in to see me this morning to discuss the question of Algeria at the United Nations. He confirmed what is already known, that France does not oppose the inscription of the item. He requested our cooperation in making sure that the item now inscribed would be given a very low priority of discussion, in the hope that either enough progress would be made between the French and the Algerians for the issue not to be contentious when it is discussed or for the Assembly during the last days of its session to agree not to discuss it at all.

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[48] Note marginale :/Marginal note:
Yes [L.B. Pearson]

[49] Note marginale :/Marginal note:
I think that an 'oral note' in the attached terms would be appropriate. L.B. P[earson]

I told Mr. Lacoste that we welcomed their decision not to oppose inscription and that we would consider "avec sympathie" their request that the item be given as low a priority as possible.

J. L[ÉGER]

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340. DEA/12177-40

L'ambassadeur en France
au secrétaire d'État aux Affaires extérieures

Ambassador in France
to Secretary of State for External Affairs

TELEGRAM 44 Paris, January 15, 1957

CONFIDENTIAL. IMPORTANT.

Repeat London, Washington, Candel NY, NATO Paris (Information).

ALGERIA IN THE UN

I was called to see M. Guy Mollet at the Hotel Matignon this morning. Our conversation lasted about half an hour.

2. On behalf of his Government the President wished me to inform the Canadian Government that he considers the coming debate before the UN on Algeria to be vital. He gave me three copies of his statement of January 9 together with an English translation and I am sending copies by bag.[50] He drew attention to what he considers the most important part of that statement, which reads as follows: "World communism makes a point of encouraging, even of unleashing, the most fanatical nationalism provided of course that none breaks out in the Soviet sphere of influence. It benefits from periods of acute nationalism. They are frequently characterised by political anarchy or startling social retrogression which create ideal conditions for its propagation. It should not be forgotten that communism is one of the external buttresses of the Algerian rebellion which it uses to gain a foothold in Algeria. Are the democratic nations going to out-bid each other for the promotion of nationalism? Would they not do better to demonstrate that it is possible to deliver the peoples of all these countries from all forms of oppression without the need for them to have recourse to isolation? Is not the task they must assume that of saving the peoples in their charge from the economic waste of passing through the stage of narrow nationalism?"

3. On this point he made the following comments: it is well known that, according to what they call the "déterminisme historique", the Soviets believe that the best way of spreading communism among the peoples of Africa is to develop within these various peoples a blind sentiment of nationalism, that it is only when this nationalism has reached its paroxysm that the Soviet influence can best be brought to bear so that communism can establish itself. He added that he doubted whether all the friends of France understood the problem from that angle.

4. He expressed to me in very clear terms the probable results of a UN vote against France:

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[50] Pour une description du discours de Mollet, voir *Affaires Extérieures*, vol. 9, Nº 5, mai 1957, p. 160.
For a description of Mollet's speech, see *External Affairs*, Vol. 9, No. 5, May 1957, p. 160.

(1) His Government could be defeated in parliament. (This is admittedly a possible consequence — but another is that the resurgence of nationalism and anti-UN feeling, to which Mr. Mollet later referred, might operate to reinforce the government in its independent stand against France's Celtics). (2) An anti-American feeling would develop together with an anti-United Nations and NATO movement, with the result that a new French Government, reactionary in character, would advocate complete neutralism. Moreover, he said, such an unfavourable vote by the UN would encourage not only the Algerians but the supporters of the Algerian rebels, with the consequence that a regular war would follow. Even if the French Government were not prepared to have recourse to war, Frenchmen in Algeria (over one million) would organize themselves and fight the war with or without the support of continental France. While an extreme nationalism will develop in Algeria, another form of extreme nationalism will develop in France which will be a threat to all international agreements signed by France. (These consequences may seem pessimistic but they are a measure of M. Mollet's appreciation of the intensity of French feeling on the Algerian issue.)

5. M. Mollet supported his argument about the incompetence of the UN by referring to Article 6 of the North Atlantic Treaty, which specifies that an attack against the territory of Algeria will be considered as an attack against France itself. After having read this article, M. Mollet said that the position of Algeria with regard to France is identical with the position of Alabama with regard to the USA.

6. On the tactics that France might follow should a vote intervene against her, M. Mollet said that the French delegation would leave the Assembly and therefore withdraw from participation in the present session. (We have the impression from reports of M. Pineau's interviews in the USA and speculations from other sources that the position may not be as rigid as the Premier suggested. The temper of the Assembly and of the French at the time will be influential in dictating the extent of the withdrawal). He went on to say that he has time and again fought against his own people to limit the scope of the gesture of disapproval because many of his own supporters would wish France to leave the UN altogether. M. Mollet added that if his Government is not prepared to go that far, his successor might. (This sounds to me like the over-emphatic pleading of someone living too close to an impending calamity. This extreme has up to now only reached the public ear from Poujadistes and Senator Duchet, Secretary General of the Moderates).

7. I told M. Mollet that I would convey his views to my Government.

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341. DEA/12177-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM S-27 Ottawa, January 15, 1957

CONFIDENTIAL. IMMEDIATE.

Reference: Your Tel No. 37 of Jan 9.†

Repeat London, Paris, Washington, Candel NY (Information).

By Bag Madrid, Cairo, Rome, Lisbon, New Delhi.

ALGERIA — M. MOLLET'S STATEMENT

Although its implications are still being examined our first reaction to M. Mollet's statement on Algeria is one of mild disappointment. For example we think it unfortunate he did not feel able to give more precision to the French Government's plans for ensuring the freedom of the elections to follow the cease fire and the subjects of negotiation following those elections. Emphasis of the permanent and organic ties between France and Algeria also seems to reduce the chances of achieving the first step of a cease fire. While we appreciate that internal political considerations which influenced the formulation of the statement our point of focus is the forthcoming UN debate and we feel that the atmosphere of the debate would have been improved by greater elaboration of the first two points mentioned above.

2. De Menthon of the Quai d'Orsay has laid stress on the domestic importance of the statement and has said that the French Government is playing down the UN aspect of the Algerian question. However this hardly seems likely to dissuade the Afro-Asian group from introducing a condemnatory resolution in the plenary session. We of course hope that such a resolution can be avoided but on the assumption that some resolution will come out of the debate we would be happy to see a resolution along the lines mentioned in paragraph 3 of Washington telegram No. 96 of January 14,† i.e. taking note of the French statement, expressing the view that there are good prospects for progress and stating that no Assembly action is required.

3. In any event we would hope that the categorical terms in which M. Mollet denied UN competence to consider the Algerian question would not require the French Government to act precipitately as regards withdrawal of its delegation from the Assembly.

4. You may at your discretion use these observations in commenting on M. Mollet's statement to the Council. You should however make it clear that these do not necessarily represent our final views, as they have not been cleared with the Minister in New York. In addition we hope you will make it clear that although we feel that a difference in emphasis in M. Mollet's statement would have been helpful we recognize and appreciate the sincere efforts the French Government is making to produce an equitable and lasting solution for the Algerian problem.

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342. DEA/12177-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 82 Paris, January 16, 1957

CONFIDENTIAL

Reference: Your tel S27 Jan 15.
Repeat London, Washington, Permis NY, Paris (Information).

ALGERIA — MOLLET'S STATEMENT

As we mentioned in telegram 37 January 9 this item was placed on the agenda for a private meeting of Council on January 16 in order that member governments could comment on the text of Mollet's policy statement on Algeria which had been circulated by the French representative.

2. The American representative stated that his government is studying the Mollet statement very carefully and in addition Pineau and Dulles at their meeting on January 11 discussed it, including "its UN aspect" and common objectives and tactics to be followed in that organization. The USA consider the Mollet statement "to be a useful exposition of the French approach to this difficult problem", and "a useful start to reaching a solution". Perkins also stated that the French and American delegations at UN will consult in order firstly, to avoid "inflammatory resolutions" being presented, and secondly, to avoid resolutions condemning France for its policy in that area.

3. We made a short statement along the lines indicated in your telegram under reference, emphasizing the points outlined in paragraphs 1 and 2.

4. The Dutch representative made an interesting statement in which he emphasized that NATO's specific interest in the problem is the strategic position of Algeria on the southern flank of NATO where there is now a series of weak though vociferously nationalist states which are possibly susceptible to Soviet machinations. In conclusions, Van Kleffens expressed the hope that any solution to the problem will also be in accord with NATO's strategic interest in that area.

5. The Belgian representative asked two questions: firstly, what were the possibilities and implications of election results which would reject the "présence française" in Algeria and, secondly, can the "présence française" remain in Algeria without the sympathy and assistance of Tunis and Morocco. The French representative could only give personal views on these questions and indicated he might go into them further later on. Parodi thought that these problems constituted the calculated risk involved in French policy which aimed at the establishment of a cease fire in which truly free elections could be held without the danger of terrorism and reprisals. French policy is predicated on the premise that peaceful coexistence between the European and the Muslim communities is accepted by both sides. If this ideal proves to be unattainable, the French Government may have to reconsider its policies. Parodi remarked that the French population in Algeria are determined to stay in that country and are capable of doing this by force if necessary. With respect to the second question, Parodi reviewed the history of the area, underlining that Algeria had no tradition of independent status such as Tunis and Morocco and expressed the hope that there is some sympathy for the French position in those two countries.

6. At the end of the discussion Parodi again stressed French concern with UN discussions of Algeria and asked that representatives of NATO countries to the UN should consult in New York.

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343. DEA/4283-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs

TELEGRAM 301 New York, January 22, 1957

CONFIDENTIAL. IMPORTANT.

Repeat London, Washington, Paris, NATO Paris (Information).

By Bag Lisbon, Madrid, Rome, Athens, Ankara and Karachi from London and Delhi from Ottawa.

ALGERIA

This question is now likely to come up in the First Political Committee at the beginning of next week. I understand M. Pineau is returning to New York for the debates probably together with M. Joxe, the Secretary General of the Quai d'Orsay, who was here last week and in Washington for preliminary soundings.

2. We are not yet in a position to provide much info to supplement the reports on probable French tactics, which you have received from Paris and Washington. That the French will be under heavy fire goes without saying and their vote with Israel against the General Assembly resolution on Israel's withdrawal from Sinai on Saturday will probably not help them. A forecast of things to come was given in the Special Political Committee yesterday when the representative of Morocco compared at some length and bitterness the racist policies of South Africa and those of the French in Algeria.

3. From talks we have had with the French it is still clear that they have not finally decided on tactics, and I presume the delegation is awaiting word from Pineau. The delegation thought they would lead off with a long speech (4-5 hours was mentioned), giving a complete exposé of the French position. The delegation does not, repeat not, think they will walk out of the Committee at the end of their speech, but realize the decision on this depends on political factors.

4. We must clearly do all we can to help the French, who, however, do not make this task very easy. We would have to vote against any wildly anti-French resolution. We will do our best to support a more modest resolution along the lines of paragraph 3, telegram 96 of January 14 from Washington.[51]

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344. DEA/12177-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to United Nations General Assembly

TELEGRAM S-48 Ottawa, January 28, 1957

CONFIDENTIAL. IMMEDIATE.
Reference: Your Tel 301 Jan 22.

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[51] Ce télégramme rend compte d'une réunion entre Pineau et Dulles, durant laquelle le secrétaire d'État américain a proposé de statuer sur la question de l'Algérie en adoptant à l'ONU « a modest resolution which would simply refer to the explanations given by the French rep, to the view of the Assembly that there were good prospects of progress towards a satisfactory solution, and which would state that no Assembly action was required. » Washington à Ottawa, télégramme 96, 14 janvier 1957, MAE 12177-40.
This telegram reports on a meeting between Pineau and Dulles, during which the U.S. Secretary of State proposed disposing of the Algerian item at the UN with "a modest resolution which would simply refer to the explanations given by the French rep, to the view of the Assembly that there were good prospects of progress towards a satisfactory solution, and which would state that no Assembly action was required." Washington to Ottawa, Telegram 96, January 14, 1957, DEA 12177-40.

Repeat London, Washington, Paris and NATO Paris (Information).
By Bag Lisbon, Madrid, Rome, Athens, Ankara and Karachi from London and New Delhi.

ALGERIA

Since you are in a better position than we to estimate both French and Afro-Asian tactics in the Algerian debate, we shall attempt to offer at this stage only a few comments on your telegram under reference and the probable character of the debate.

2. We would assume that the Afro Asians would probably attempt to secure a two thirds majority for a resolution which would have three main components: (a) some sort of general declaration (perhaps similar to past resolutions on Tunisia and Morocco) to the effect that Algeria should become independent, without specifying when; (b) following such a declaration an agreed cease fire; and (c) negotiations between the French and representative Algerians.

3. Although we could presumably consider supporting sections (b) and (c) of such a resolution, I doubt whether we could support (a) without upsetting the French. If we retained some credits with Paris — and if we decided to use it — although to my knowledge this has never been done on the Algerian issue either in NATO or bilaterally — we might try and help them towards a sensible and liberal solution. This might include encouraging the French to make some general declaration regarding the eventual independence of Algeria as a basis for a cease fire and a negotiated interim constitution.

4. We have been impressed by Bourguiba's case for aiming at an eventual North African federation which would include Tunisia, Morocco and Algeria and possibly Libya. Such a federation might keep this area oriented towards the West either through bilateral agreements with France covering economic aid and defence or, if that is unobtainable, through some multilateral arrangement which would be more acceptable politically to North African opinion and would still keep the area from drifting into Nasser's orbit, or Moscow's. I told Lacoste last week that such a development might help them in this predicament and should not be discarded off hand.

5. With this in mind we have been wondering whether it would not be prudent to go as far as we could in the direction of supporting the French during the forthcoming debate in spite of their record in Algeria and our own disposition to facilitate the evolution of dependent peoples towards self-government. Clearly, so long as the Mollet Government is strongly supported at home on their Algerian policy in the U.N. as seems indicated by the results of the Paris by-election of January 13 and recent French Assembly vote of confidence in the Government, they will not be too worried by U.N. disapproval nor much influenced by other expressions of opinion outside of France. Until the Algerian debate on the U.N. is over, we would doubt the usefulness of making representations to the French about the direction and application of their Algerian policy. The most we can do for the time being is to try to persuade the French Delegation to take a moderate stand in the First Committee and avoid the temptation to win acclaim at home by any impulsive, if temporary, walk outs. To state their case and then sit out the debate regardless of what may be said would, it seems to us, be most likely to win sympathy and support for the French position in the Assembly and thus contribute to defeating more extreme resolutions which the French could not accept. In our opinion, the type of resolution outlined in paragraph 3 of Washington telegram 96 January 14 is probably the best that can be expected and could be supported. More extreme proposals are, it seems to us, almost bound to lead to the development in France of the anti-USA, anti-U.N., and anti-NATO sentiments of which M. Mollet has specifically warned us and the emergence of a narrow and bitter nationalism both in France and in Algeria. While we do not share M. Mollet's fear that the Commu-

nists would probably replace the French in Algeria, we do recognize the danger that France, feeling herself isolated on a question which is fundamentally of national prestige but which the French consider as national survival, might adopt a very ugly attitude towards all international organizations to which they belong.

6. If, on the other hand, saner counsels prevail, in New York, Paris and North Africa, there are some indications that Eurafrican cooperation which is so important to the very existence of NATO could be a reality even before the attainment of Algerian independence. Towards the end of M. Mollet's statement of January 9 he referred to the mutual benefits of close cooperation between Europe and Africa, saying "The Franco-African unit will not be a closed entity. It is France's wish that countries like Tunisia and Morocco should freely associate with it in order to benefit from the advantages of common accomplishments, and especially from the Sahara's contribution. We should speak not so much of a Franco-African as of a Eurafrican unit. France is negotiating at this time with her European partners for the organization of a vast common market, to which the overseas territories will be associated. All of Europe will be called upon to help in the development of Africa, and tomorrow Eurafrica may become one of the principal factors in world policy".

7. The above statement does not go as far as Bourguiba's federation but perhaps gives up an opening for expressing views on the kind of multilateral relationship which might successfully tie North Africa and the Sahara to the Atlantic or West European community provided the principal of eventual Algerian independence were accepted by France. The next phase would then be the development of that voluntary interdependence between Western Europe and North Africa which is at present an economic and military necessity but a political impossibility.

8. The logic of our analysis is, therefore, to do all we can, as you say in your telegram under reference, to help the French with a view to using our credit later and in private to promote a reassessment in Paris of their North African policy which is at present dangerously split between the consequences of a liberal policy towards Morocco and Tunisia being followed by a largely repressive policy towards Algeria.

9. The chief difficulty we foresee in this type of approach, especially in the light of telegram 83 January 26 from Paris,† is that after the U.N. debate is over there is probably no one in the present French Government who would pay much attention to our representations until the present policy of Lacoste has been proved inadequate. As an alternative to the suggestions above, therefore, you might like to consider speaking to Pineau yourself during the next day or two and explaining frankly the difficulties we found in supporting France on Algeria although we have the greatest admiration for what they had done in Tunisia and Morocco and for their forward looking "loi cadre" of last summer (aimed at avoiding in the rest of French Africa some of their mistakes of omission in past policy for North Africa). You might say that if he could give us even the most informal and private assurance that the French Government, in spite of what it must say publicly at present, has in mind the necessity for an agreement which would involve interdependence between France and Algeria possibly in some sort of treaty framework which would include Morocco and Tunisia as well, then we would feel much easier in our minds in giving France all the support we could in the forthcoming debate. Such representations might, I think, be more effective than any we might make after the event, either bilaterally or through NATO. I cannot help feeling that the French themselves must sooner or later come to the conclusion that only by means of some such general dispensation for a North

African Federation can they hope to salvage reasonable protection for French citizens anywhere in the area.

[J.] LÉGER

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345. DEA/12177-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs

TELEGRAM 402 New York, January 29, 1957

CONFIDENTIAL. IMMEDIATE.

Reference: Your Tel S48 Jan 28.

Repeat London, Washington, NATO Paris (Information).

By Bag Lisbon, Madrid, Rome, Athens, Ankara, Karachi, Cairo, Beirut and Tel Aviv from London and Delhi from Ottawa.

ALGERIA

I have studied your message with interest. While I agree with much of the analysis, I find it difficult to see how we can play a very forward role either with the French in the UN, or afterwards in Paris, to persuade them to modify their Algerian policies. As you say, Mr. Mollet has hinted that the ultimate aim of France is to develop a Franco-African, or a Euroafrican unit. This process would come slowly, inevitably, and primarily from a French realization of political, military and economic realities. I do not think any country is in a position to put pressure on the French to accelerate this process. Indeed my feeling is that this would be misunderstood and resented in Paris.

2. In this connection I think your message tends to underestimate the strength of French feeling on this question, and indeed the real importance to France of Algeria. I do not believe it correct to say, as you do in your paragraph 5, that this is a question "fundamentally of national prestige". It is surely a good deal closer to the truth to say that it is not far from being a question of national survival. Certainly, the loss of Algeria would finally destroy French pretensions to be a great power, might completely disrupt its political system, and deal a shattering blow at what remains of their morale. This is of supreme importance not only to France but to all of us.

3. I do wonder if the statement earlier in paragraph 5 that the French "will not be too worried by UN disapproval nor much influenced by other expressions of opinion outside of France" is accurate. I have had the impression that, on the contrary, the French are going to follow this debate very carefully and in particular will attach the greatest importance to the position adopted by Canada and the USA. If we abstain, or give only lukewarm support to the French on this question, coming on top of the position we were obliged to adopt on Suez, then I think there may be a considerable revulsion of feeling in France against the Transatlantic Alliance. We may argue that we need not be too worried since the French must remain in the Alliance but we should not underestimate the strength of irrational emotion in a crisis of national pride.

4. The question will not now come before the First Political Committee before February 4. There is still no news of a resolution, or the plans of the Arab Asians. Most delegations

have been too absorbed in disarmament, Kashmir and the Mideast to concentrate on Algeria. Although it is therefore a little premature to speculate, if a resolution along the lines assumed by you were to come forward, we would in my opinion have to vote against it. Any other action would mean Canadian support for a move implying direct Assembly intervention in French domestic affairs, and would provoke precisely the reaction from the French we must at all odds avoid. I realize this is a difficult decision to have to take, and we and the USA must risk a certain bad feeling on the part of the Arabs if we do not abstain on this issue.

5. I shall send you later a draft giving the general lines of a statement we might make in the debate, depending, of course, on the way it develops.

L.B. PEARSON

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346. DEA/12177-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to United Nations General Assembly

TELEGRAM S-50 Ottawa, January 29, 1957

CONFIDENTIAL. MOST IMMEDIATE.
Reference: Our Tel S48 Jan 28.
Repeat Paris (Immediate), Paris, London and Washington (Routine) (Information).

ALGERIA

Lacoste came in to see me today to seek clarification of the Canadian statement on Algeria made at the private meeting of the NATO Council on January 16. He told me that the Canadian representative had spoken immediately after the USA representative and they had been struck by the contrast in tone of the two statements. As reported from their people in Paris, Lacoste said, the Canadian representative had expressed the fear that the affirmation that "la présence française" would be maintained in Algeria might tend to hinder the realization of a cease fire.

2. I said immediately that I was fairly sure we had not referred in our instructions to our NATO Delegation to "la présence française" nor in these terms. I have since confirmed that this was the case (our telegram S27 January 15) and there is indeed no indication in the report of our NATO Delegation (telegram 82 January 16) that they made such a point. Both these telegrams were repeated to Candel New York.

3. Our guidance telegram to our NATO Delegation was drafted on the assumption that a fairly frank exchange of views on Algeria was desirable at the private meeting of the NATO Council on January 16. Presumably the USA Delegation had received instructions to be less forthcoming and more polite and I imagine this, rather than any difference in our positions, accounts for the difference in tone between the USA and Canadian statement. Certainly I would not like to feel that we were less understanding to the French than the USA in these matters, either in private in NATO or in public in the Assembly.

4. Perhaps if you decide to speak to Pineau as we suggested yesterday you might try to clear up any misunderstanding that may have arisen based, I feel, partly on the fact that we

and the French use a different vocabulary in talking about North Africa, as their reference to "la présence française" indicates.

5. For NATO Paris. Please send us immediately text of your Algeria statement of January 16.

[J.] LÉGER

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347. DEA/12177-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly, to Secretary of State for External Affairs

TELEGRAM 417 New York, January 31, 1957

CONFIDENTIAL. IMPORTANT.

Reference: My Tel 402 Jan 30.

Repeat Washington, Paris, NATO Paris (Information).

By Bag Lisbon, Madrid, Rome, Athens, Ankara, Cairo, Beirut, Tel Aviv and Karachi from London and Delhi from Ottawa.

ALGERIA

A further complication in the discussion of this problem at the present session, which I did not mention in my previous message, is the interaction of the simultaneous consideration of Algeria and the Mideast problem. If we can make any progress on the latter before Algeria comes before the First Political Committee on Monday, then our specific worry — retaining what prestige we have with the Arabs in our efforts at mediation — will not immediately arise. But if there is no solution, then it is likely that support of the French, even of a pretty negative sort, by us would help to dissipate our attitude of impartiality.

2. I am not suggesting that we should modify our basic policy on the Algerian problem. I am just bringing this fact to your attention as a further proof that we will have to be prepared to make our tactics pretty flexible in the First Committee, and keep a close eye on the developments in the Mideast negotiations.

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348. DEA/12177-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly, to Secretary of State for External Affairs

TELEGRAM 432 New York, January 31, 1957

CONFIDENTIAL. IMMEDIATE.

Reference: My Tel 402 Jan 30.

Repeat Washington, London, Paris, NATO Paris (Information).

By Bag Lisbon, Madrid, Rome, Athens, Ankara, Cairo and Karachi from London and Delhi from Ottawa.

ALGERIA

I had a conversation today with the French Foreign Minister, chiefly about Algeria and the Mideast. His remarks on the latter question are incorporated in a separate message† reporting on today's developments.[52]

2. M. Pineau confirmed that he intended to make a very full "exposé" of the French case on Algeria and would participate in the debate. His delegation would not participate in the voting of a resolution as that would imply acceptance of the competence of the UN.

3. I said that we would like to help as much as we could and would make a statement which we trusted his delegation would find useful. He said that would be very helpful. I asked if there was anything specific in the form of a resolution which their friends could put forward in order to forestall a condemnatory resolution.

4. He said that they had worked out a form of words which would be acceptable to them, which he proceeded to read to us. The gist of it was that the Assembly noted the declarations of the various delegations in the Committee, expressed the hope that a peaceful and democratic solution would be worked out, and deleted the item from the agenda.

5. I gather this draft has been discussed with the Americans and we will attempt to get the exact text. I told M. Pineau we would have no difficulty in supporting a resolution of this sort. He seemed mildly optimistic that they would get through the debate without too serious difficulty. What they cannot accept is a resolution which would condemn France or include mention of UN mediation.

L.B. PEARSON

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349. DEA/12177-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to United Nations General Assembly

TELEGRAM S-55 Ottawa, February 1, 1957

CONFIDENTIAL. IMMEDIATE.
Reference: Your Tel 402 Jan 29 and our Tel S48 Jan 28.
Repeat NATO Paris, Paris, London, Washington (Information).

ALGERIA

This morning I gave Lacoste a copy of our NATO Council statement on Algeria on January 16. I think he is now convinced that the Canadian position on Algeria is no less sympathetic and understanding than that of the USA. In our minds there is, and I feel should be, a distinction between the kind of political consultation appropriate for private meetings of the NATO Council and a delegation position for the General Assembly. As far as I can see the USA representative on the NATO Council did not make this distinction. If we cannot feel free to state something of our real thoughts and concerns in a NATO context, and if, as you say, no allied country is really in a position to put any pressure on the French in this matter, then I wonder whether it is worthwhile discussing Algeria in NATO at all.

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[52] Voir/See Document 246.

2. So that there should be no misunderstanding I think I should add that we have not been suggesting a forward role for the Canadian Delegation in regard to Algeria at the General Assembly either in private, or still less in public. I agree that for the reasons you have given it may not be wise to tackle the French privately with even such a mild question as we had suggested on the assumption that the Americans had probably said as much to M. Pineau when he was in Washington.

3. I am not sure, however, that I entirely follow your deductions about Algeria being a matter of national survival for France. This is an argument that the French have used with us for years, first in regard to Tunisia and Morocco, then Indochina, and now Algeria. Although French power has declined with the loss of some of her overseas territories, France is still France. If, as seems quite possible, considerations of national prestige prevent the French Government from displaying sufficient realism in time, it seems to me quite likely that France will lose the chance she still has to salvage a pro-French orientation for the whole North African area. The very large number of French citizens in Algeria certainly complicates this problem for French statesmanship but our impression is that it could still be solved, at least more satisfactorily than it will be if repressive policies are continued indefinitely and gestures in the direction of a political solution come too little and too late. Nevertheless, as you say, we cannot expect (and probably at present should not try) to persuade the French Government to act from a purely rational assessment of their situation.

4. As you point out in your telegram 417 January 31, just received, the interaction between the Algerian and Mideast debates will require flexible tactics and quick decisions which may have to be taken without consulting us. By the same token, your draft statement (your telegram 421 January 31†) may require last minute changes but we shall try to send you any suggestions we may have as quickly as possible.[53]

[J.] LÉGER

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350. DEA/12177-40

Procès-verbal de la réunion hebdomadaire des directions

Weekly Divisional Notes

[Ottawa], February 21, 1957

ALGERIA

European: The Algerian rebellion which has been a drain on French men and resources since November 1954 has emerged after discussion for the second time in the U.N. with no clearer prospect of solution than when it began. The Algerian item was inscribed on the General Assembly agenda towards the end of 1956 by a number of Arab and Asian delegations and debate commenced in the U.N. Political Committee on February 4 with a lengthy and lucid exposition of the French point of view by M. Christian Pineau. This exposition, M. Pineau insisted, was a matter of grace for France could never agree that the U.N. had any competence in this, a purely domestic French problem.

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[53] Pour la déclaration du Canada prononcée par Pinard à la Première Commission le 8 février 1957, voir *Statements and Speeches*, 1957, N° 13.

For the Canadian statement in the First Committee delivered on February 8, 1957, by Pinard, see *Statements and Speeches*, 1957, No. 13.

2. Basically the French case is that the rebellion is not a national uprising but the work of an extremist minority who are using the threat of massacre to cow the Moslem population while receiving military and psychological support from other Arab countries — mainly Egypt. M. Pineau rejected the demands of the Arab-Asian group that France negotiate with the rebels for a cease-fire and accept the principle of self-determination and Algerian independence. In place of this he repeated the substance of M. Mollet's declaration of policy on January 9: Cease-fire, free elections within 3 months to be followed by negotiations with elected representatives on the future status and organization of Algeria. The future status has not clearly been defined but in essence the French Government have in mind a régime which would permit the greatest possible amount of autonomy for Algeria while retaining for France powers to ensure that the European minority in Algeria would not suffer discrimination and that Algeria would remain closely linked with France.

3. A resolution introduced by 18 Arab and Asian delegations calling for a negotiated cease-fire and the recognition by France of Algerians' right to self-determination was defeated as was a milder resolution proposed by Japan, Thailand and the Philippines.

4. The Canadian delegate supported the French position, arguing that the Algerian problem was in fact a French domestic affair, that progress towards a solution of the problem would not be served by passing resolutions unacceptable to the party mainly concerned, and that France should have an opportunity to show her good faith (as demonstrated in other parts of Africa) to work out an equitable solution together with the Algerian people.

5. In the end a resolution inspired by France but proposed by a group of Latin American countries and Italy was adopted. This resolution merely noted situation in Algeria and the discussion which had taken place and expressed the hope that a solution would be found in conformity with principles of the U.N. Charter.

6. Reaction in France to the outcome of the debate has been delight bordering on jubilation. However there has not yet been any indication of a reduction in rebel activity in Algeria. *Restricted*

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351. DEA/12177-40

Note du chef de la Direction européenne

Memorandum by Head, European Division

CONFIDENTIAL New York, February 22, 1957

ALGERIA

Now that the Algerian item has been disposed of for the current session,[54] I would like to make a few general observations.

2. Some of the more striking features of the debate were the relative moderation of the speakers, with the exception of the Syrian; the attempt by the Soviet Bloc, taken up by some of the Arabs, to identify NATO with colonial repression in Algeria; and the unfortunate division into two fairly distinct blocs — Western Europe plus the Americas and the Old Commonwealth on the one side, and the Afro-Asian bloc plus the Communist countries on the other side. No matter what might have been done to avoid some of the bitter

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[54] Pour obtenir un rapport sommaire sur ce sujet, voir Canada, Ministère des Affaires extérieures, *Le Canada et les Nations Unies, 1956-1957*, Ottawa: Imprimeur de la Reine, pp. 12-14.
For a summary report on this subject, see Canada, Department of External Affairs, *Canada and the United Nations, 1956-57*, Ottawa: Queen's Printer, 1957, pp. 10-12.

procedural wrangling the result would certainly have been approximately the same. When it came to a showdown the countries of NATO and in general the Western world felt obliged to stand by France.

3. There are a few lessons, I think, which we might learn from this. In the first place I think the French will have to retreat a little from their firm insistence on competence. By participating in the debate up until the last moment they have in fact to a large extent accepted the right of the Assembly to discuss the Algerian problem. In my opinion it would have been preferable to work from the beginning for a moderate resolution which would have incorporated many of the features of the Japanese resolution, rather than to attempt tactics aimed at preventing any resolution receiving a two-thirds majority. The French were no doubt satisfied with the display of futility given by the United Nations in the First Political Committee since they never wished for the adoption of any resolution. But I think it would have been better for France, for the friends of France, and for the United Nations, if an attempt had been made from the beginning to work out a compromise which would have been acceptable to all sides. In the end, and with bad grace, they had to accept this in Plenary.

4. The second point is that when the chips are down we have no alternative but to support France in this question, and this means a dangerous drawing of lines between East and West and the identification of NATO with colonial wars, something we have always attempted to avoid. Unless the Algerian war is brought to a successful conclusion, or the French succeed in so modifying their policy that the Algerian nationalists are satisfied, then I think we will have to adopt other tactics, and I suggest it is not too early to start thinking about them now. If we are unable to persuade the French to adapt their policies to face the realities of their political and economic situation, then I think we ought to go on to the offensive in order to try to blur the divisions now existing between East and West.

5. When one examines the Russian (and Soviet) record in Central Asia, they have in fact carried out a policy not dissimilar to that of France in Algeria. The Arab Delegation in the recent debates spoke passionately about the destruction of the great Arab state of Algeria by the French in 1830. In fact Algeria was hardly any longer a part of the Arab or even the Ottoman world. They are at the same time completely blind to the destruction by the Russians of the really great centres of Islamic culture in Bokhara and Samarkand. Like the French in Algeria the Russians not only conquered the Central Asian Islamic states, but set out to colonize them with Russians, to destroy the bases of the indigenous societies and to russify their peoples. There are two differences. The first is that the Central Asian states were contiguous to Russia and therefore the "overseas fallacy" has not come into place; the second is that the Russians were infinitely more ruthless in their destruction of the local social and political systems. As a result, there is no distinctive native society in Central Asia today. You will recall that the Head of the French Socialist Delegation which visited Central Asia last summer reported that the great mistake of the French in North Africa was to maintain the local social fabric, if they had followed a policy similar to that of the Russians, they might have avoided their present difficulties.

6. I had the impression during the debate on Algeria that the Russians entered cautiously into fray and then largely because they thought the risk was worth taking because of the passions aroused by this problem among the Arabs and the opportunity of identifying the NATO powers with the "dirty war". I am sure they have constantly had in the back of their minds the danger of some country eventually raising the question of the Moslem populations of the USSR, and I think that the time has come when we must seriously consider passing to the offensive on this question. The Soviet argument will be precisely the same as the French, that is, that the United Nations has no competence to discuss this area since

it is a legal part of the Soviet Union and the peoples thereof have chosen by a free vote to remain part of the Union. However, it should not be beyond the possibilities of our respective Foreign Offices to work up an argument which would embarrass the Russians or at least lead them to intervene with less enthusiasm in debates of this sort. It will be a long, hard pull to detach the Arabs and Asians from their single-minded fixation about Western colonialism. We will never do it by talking about Soviet colonialism in Eastern Europe. Our only hope of success is by concentrating on areas where the Russians have conquered and suppressed Asian cultures.

R.A.D. FORD

SUBDIVISION V/SUB-SECTION V

FONDS SPÉCIAL DES NATIONS UNIES POUR LE DÉVELOPPEMENT ÉCONOMIQUE SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT

352. DEA/11423-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], March 14, 1956

THE CREATION OF A SPECIAL CAPITAL AID FUND UNDER THE AUSPICES OF THE UNITED NATIONS

As you are aware, officials of this Department have been reviewing very thoroughly the implications for Canada of the proposal to create a new United Nations Aid Fund (sometimes called SUNFED). We have come to the general conclusion that Canadian support of a fund of this nature (which we would hope could be shaped into an effective mechanism) would be desirable at this time as part of Canada's general foreign aid activities.

2. Last week at a meeting at which I presided, we met with senior officials of the Department of Finance, the Bank of Canada, and the Department of Trade and Commerce to discuss the role which Canada should play in relation to the forthcoming debates in ECOSOC and in the United Nations concerning the establishment of such a fund. Prior to this meeting we had circulated a paper suggesting that the creation of a United Nations fund must now be given serious consideration by Canada and the other Western countries. (I am attaching a copy of this paper which sets forth very briefly the reasons why the creation of a United Nations fund now looms so important in our thinking.) Officials of Finance also distributed a paper† sketching the kind of fund which they considered would be most appropriate if one were to be established.

3. On the basis of the discussion at this interdepartmental meeting I am confident that the reasoning which is contained in our paper concerning the desirability for creating a United Nations fund was accepted by officials of other departments. More precisely I believe that the Department of Finance is prepared to look quite sympathetically on the idea of a Canadian contribution to some international fund under the United Nations. Indeed I believe officials of that Department are prepared to recognize the desirability of Canada taking an initiative in approaching the other countries traditionally opposed to the creation of a United Nations aid fund (United States, United Kingdom, Australia) and possibly an

approach to other developed countries who have given support in the past in the United Nations and elsewhere to various proposals to create an international aid fund (France, The Netherlands, Belgium and one or two others possibly including Germany). The purpose of these approaches would be to explore the possibility of a more positive answer on the part of the developed countries to the increasingly strong case for a United Nations aid fund. Several of the main countries concerned are not in too good a position themselves to take the initiative this year even if they were so inclined (e.g. the United States because of the election and the United Kingdom because of financial difficulties). Canada is probably the best placed to do so.

4. We did not reach a firm understanding with Finance officials about the figure which should be recommended to Ministers for our contribution to the proposed fund or for a total programme covering Canada's contributions both to the Colombo Plan and to this fund. Finance officials took the position that some reduction in our bilateral aid programme (i.e. Colombo Plan) should be made when we begin to contribute to a United Nations fund.[55] They consider that the present level of our Colombo Plan contribution is exceptionally high on account of special temporary factors (i.e. the atomic reactor and the increased cost of Warsak) and that in later years some reduction would be appropriate. They also feel that we should reserve the right to make shifts subsequently as between Colombo Plan and the international fund within a fixed total contribution in accordance with our assessment of the relative effectiveness of the two programmes as instruments for aiding the under-developed countries.[56] They did not suggest what total figure they had in mind but implied that it might be only slightly larger than our Present Colombo Plan figure. In that event our Colombo Plan contribution would be reduced by about the amount of any subscription which we might make to an international fund.

5. For our part we do not consider that our objectives in aiding the under-developed countries would be fully met if we agreed at this stage to participate in a multilateral aid programme entirely, or even largely, at the expense of our Colombo Plan operations.[57] However, I believe that our differences with Finance relate primarily to the definition of the "*normal*" level of Canada's Colombo Plan contribution after the requirements which gave rise to the recent increase have been met. We acknowledged that the eight million dollar increase this year and the corresponding increase over the following year or so were largely attributed to special temporary requirements (and we included Warsak and the reactor in that category but not the additional million dollars for the "new" countries). We questioned, however, whether in the absence of these particular requirements the figure would have remained at $26.4 million this year. We suggested that there might have been — and might be in the future — very substantial general reasons for a larger contribution. We did not know what the right figure for our "normal" contribution should be. That could only be decided by Ministers. Whatever the correct figure was — and we suggested that it was a good deal higher than $26.4 million — that figure should not be cut in order to release money for the proposed international fund. Our contribution to the latter should be additional to whatever is considered to be our appropriate regular contribution under the Colombo Plan.

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[55] Note marginale :/Marginal note:
one vote? [L.B. Pearson]

[56] Note marginale :/Marginal note:
yes [L.B. Pearson]

[57] Note marginale :/Marginal note:
I agree [L.B. Pearson]

6. On the question of the amount which might be contributed to a United Nations fund the differences did not appear to be so pronounced. In our discussions Finance officials spoke of a figure of $7 to $8 million in each of the first two years or $15 million over the two years combined as a Canadian contribution to the initial capital (with an implication that subsequent annual contributions might be somewhat less). This was based on a total fund of approximately $200-250 million annually (of which the United States might be expected to put up about $150 million). Our own feeling was that this total represented a bare minimum for an effective aid fund and we should realize that, for example, a fund of this size would provide limited scope for a fully adequate volume of additional external aid to India during the second five year plan (when she will require about $300 million a year beyond anything now in sight). Although we did not say so at the meeting we would be inclined to think that an initial contribution of $14 or $15 million spread over the first two years, and annual contributions of $10 million thereafter would represent a not unreasonable Canadian share in a fund of this minimum size.

7. In the light of this preliminary discussion at the official level you may think it desirable to attempt to reach an early understanding with Mr. Harris and the Prime Minister concerning the Government's attitude towards the proposed fund. In this connection you will appreciate that we shall have to move quite quickly if we expect to influence the decisions of other governments concerned (and, incidentally, if we hope to prevent the Russians from appearing to be more constructive than ourselves on this subject in forthcoming United Nations meetings).

8. It cannot be said that the desirability or inevitability of such a fund is universally recognized even now. For instance, the United States Administration — whose participation would be almost essential — appears to be still rather cool towards the idea of any United Nations arrangement of this sort, although that view might be altered fairly quickly if other respectable governments were to show concrete interest in the project (or, of course, if Mr. Stevenson or Mr. Bowles were to attempt to make an issue in the election campaign out of the "failure" of the Administration's policies in the under-developed countries).

9. The opportunities for affecting the attitudes of others towards this project will come fairly soon and if we are anxious to promote it some decisions, at least in principle, will be required very shortly if we are to take advantage of those opportunities. The earliest and best occasion for making some impression on the United States Administration will come during the talks which you and the Prime Minister will be having with Mr. Dulles and President Eisenhower in a fortnight's time.[58] After that we shall be expected to give some intimation of our position at the meeting early in May of the United Nations Special Committee concerned with this subject. There is therefore little time to be lost.

10. I would have thought that it was possible to take a position on this proposal (and on our future Colombo Plan contributions) which would meet most of the objectives which you have in mind while at the same time not offending seriously against Mr. Harris' desire to keep expenditures down (and not requiring him to accept that the figure reached by our Colombo Plan Vote in 1956-57 represents a "normal" contribution). You might wish to discuss with him something along the following lines:

(a) For reasons of the kind set out in the attached paper referred to earlier in this memorandum we should support and actively encourage the establishment of a United Nations fund for economic development on as sound and efficient lines as we can devise and as others can be persuaded to accept.

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[58] Voir Volume 23, Chapitre premier, 1ère partie.
See Volume 23, Chapter 1, Part 1.

(b) We should aim at the establishment of such a fund in the fiscal year 1957-58 with the expectation that it would be in full scale operation by the end of that year or during the subsequent year.

(c) The Canadian Government should decide now that from the beginning of 1957-58 and for a period extending at least four years thereafter, subject to the appropriation of funds by Parliament, it will devote a minimum of $40 million a year to the Colombo Plan and this United Nations fund combined.

(d) With respect to the Colombo Plan, our contribution in 1957-58 would be $34.4 million, in 1958-59 would be $31.9 million and in each of the two following years would be $30 million. (The basis for these figures is explained in the Annex† to this memorandum.)

(e) Our contribution to the international fund would therefore be $5.6 million in 1957-58, $8.1 million in 1958-59 and $10 million in each of the two subsequent years. (The first two years mentioned would cover the period when the fund was accumulating its initial resources and our contribution to its initial capital would therefore be $13.7 million.)

(f) The appropriate scale of contribution to these two programmes in subsequent years (if it is decided to continue the Colombo Plan beyond mid-1961) would be determined in the light of the situation existing at that time, with a presumption that the total would continue to be about $40 million per annum.

(g) A decision to contribute at this rate to these particular programmes after 1957-58 would not preclude consideration of special requirements which might arise outside those programmes and which it might be politically important for Canada to assist (for example, expenditures related to the Jordan Valley Scheme or to the settlement of the Canal Waters dispute between India and Pakistan, or to the various other projects mentioned in a memorandum which is being provided to you separately in response to your request for suggestions of things that might be done with $100 million in carrying out our general foreign policy and "implementing" Article 2).

11. It would appear to me that an understanding on these lines would enable us to play a constructive — and even decisive — role in the discussions relating to the proposal for a United Nations fund.

12. Needless to say there are many features of the proposed fund which will require careful consideration before we get into detailed negotiations with other countries. For example, do we want the Russians in or don't we? Should the fund be related in some way to the Technical Assistance Board or the International Bank? Should contributions be on a voluntary basis or should they be assessed by agreement among the participants? In addition to disbursing its own monies should the fund also perform certain functions in connection with bilateral aid programmes (at least maintaining records of assistance supplied by one country directly to another)? These various aspects will of course be examined intensively by officials over the next few weeks. It would appear, however, that substantial progress on these details and on the project as a whole is dependent on agreement in principle being reached at an early stage by the Ministers concerned.

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

Note

Memorandum

CREATION OF A SPECIAL CAPITAL AID FUND UNDER THE AUSPICES OF THE UNITED NATIONS

The question of the creation of a United Nations capital aid fund has been under consideration in the United Nations and ECOSOC for over five years. Despite the atmosphere of confusion or suspicion that has surrounded the debates on this subject in the past, the creation of a United Nations capital aid fund must now be viewed as one of the major questions facing Canada and other western countries both in relation to our activities within the United Nations and in relation to our policies for aiding the under-developed countries.

2. In assessing the importance that this issue has now assumed, the following factors should be considered:

(a) the recent entry of sixteen new members (many of them under-developed countries) into the United Nations;

(b) the growing impatience of under-developed countries (including many of the new members) in the United Nations at the delaying tactics which have been employed by the western countries in these debates. This impatience is likely to be exploited widely by the USSR bloc in the forthcoming sessions of ECOSOC and the United Nations as evidence of the West's opposition to the creation of a multilateral capital aid fund;

(c) the emergence within the next few years as independent states of a number of areas traditionally associated with the western world and in some cases with the Commonwealth in particular (Nigeria, the Gold Coast, Malaya, etc.); and the increasing requirements of these areas for external assistance which must be largely provided during the initial years of their development in the form of grants;

(d) the evidence that for many of the under-developed countries, grants are required to supplement and render more effective the programmes of the International Bank and the International Finance Corporation (this view is supported by the President of the International Bank);

(e) the limited resources which now exist (under bilateral programmes) for aiding many of the uncommitted countries in the Colombo Plan area (Burma, Indonesia) and in other critical parts of the world (the Middle East);

(f) the evidence that the USSR are now prepared to provide its own special form of economic assistance to many of the under-developed countries and to represent both inside the United Nations and in the countries concerned that western programmes are purely "self interested" and do not recognize many of the special needs of the under-developed countries, particularly those which are so far uncommitted in their alignment in the cold war;

(g) the interest which is being displayed in NATO (partially in relation to Article 2) and in OEEC, concerning the importance of economic aid to under-developed countries as a response to the Soviet economic offensive and more positively as evidence of the interest of western associations in the welfare of the under-developed countries;

(h) the desirability of mobilizing the resources of western European countries (Germany, Belgium, The Netherlands, etc.) who are relatively well disposed and capable of providing economic aid to under-developed countries;

(i) the progress of a number of under-developed countries which in the past have been virtually incapable of absorbing more than a very limited amount of foreign capital to a point where capital grants to carefully selected projects can have highly beneficial effects on their economies; because of the increasing tempo of technical assistance which is being provided to under-developed countries both under the Colombo Plan and United Nations programmes, it is reasonable to assume that the ability of under-developed countries to absorb capital aid will increase rapidly over the next few years.

3. In the past, countries that might be regarded as potential contributors (including Canada) have generally been reluctant to enter into discussions within the United Nations which might involve any commitment about the immediate establishment of SUNFED. As a result, the potential contributing countries have not so far taken an active part in the shaping of any proposals for a capital aid fund. Of consequence, some of the claims put forward by the under-developed countries and their supporters (e.g. the Scheyven Report)[59] have often been extravagant or ill considered. The special committee which will meet in New York on May 7th to consider replies to the SUNFED questionnaire will presumably give many of the contributing countries an opportunity to participate in discussing the structure of a capital aid fund in a practical and constructive manner.

4. While the SUNFED which has been developed by Mr. Scheyven is not considered by many of the contributing countries to represent an efficient and sound basis for considering the establishment of a special capital aid fund, the Scheyven Report does point out most of the considerations which should be borne in mind in determining how an international capital aid fund should be set up. For example, the Report discusses the relative merits of grants versus loans, loans repayable in local currency, the use of commodities to create counterpart funds, and the use of grant aid in certain circumstances to cover local as well as external costs of projects. However, many of the conclusions which are reached in the Scheyven Report are not those which will command much support in the potential contributing countries:

5. In the simplest terms three possible types of capital aid fund might be set up within the United Nations:

(a) a separate special fund (this does not have to be necessarily the SUNFED recommended by Mr. Scheyven) might be created. It is, of course, a fund of this nature which the under-developed countries, themselves, would support and which the Netherlands, Belgium and others have been pressing for over the past few years. The Scheyven Report mentions $250 million a year as the amount which might be desirable for such an agency. The report suggests, however, that a lesser amount of between $150 and $200 million (which is about the rate of the International Bank's annual lending) would enable a number of essential projects to be undertaken in the under-developed countries;

(b) the association of a capital aid fund with the International Bank along the lines of the relationship between the Bank and the International Finance Corporation;

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[59] Au cours de la neuvième session de l'Assemblée générale, un comité composé de neuf experts internationaux fut nommé afin d'examiner la structure, les fonctions et les responsabilités éventuelles d'une agence spéciale de l'ONU chargée du développement économique. Le comité, présidé par M. Raymond Scheyven, soumit son rapport en mai 1955. Voir Nations Unies, *Documents officiels de l'Assemblée générale, dixième session, Supplément N° 17 (A/2906)*.

The 9th General Assembly appointed a committee of nine international experts to examine the possible forms, functions and responsibilities of a special UN agency for economic development. Chaired by Raymond Scheyven, the committee submitted its report in May 1955. See United Nations, *Official Records of the General Assembly, Tenth Session, Supplement No. 17 (A/2906)*.

(c) the association of a more modest capital aid fund with the United Nations Technical Assistance Board which would enable that body to make capital expenditures in support of their technical assistance programmes. The amounts involved in this approach would be presumably much lower than the figure recommended in the Scheyven Report.

353. PCO

Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet

Memorandum from Secretary of State for External Affairs
to Cabinet

CABINET DOCUMENT NO. 92-56 [Ottawa], April 18, 1956

SECRET

CANADIAN REPLY TO UNITED NATIONS QUESTIONNAIRE CONCERNING THE ESTABLISHMENT OF A SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT

In the past, several proposals have been put forward within the United Nations for the creation of a Special Fund for Economic Development. At the Eighth General Assembly of the United Nations Canada voted for a resolution which approved the principle of the eventual establishment of a fund for economic development within the United Nations on the basis of savings resulting from a world-wide reduction in armaments. At the Tenth General Assembly of the United Nations (1955) the Canadian delegation reaffirmed this approval in principle but stated to the Assembly that in the view of the Canadian Government reductions sufficient to justify a diversion of funds to projects such as the Special Fund might well have to await measures of disarmament resulting not merely from a relaxation in international tension — which could prove temporary — but from an agreed programme of world-wide disarmament. Subsequently the Canadian delegation supported a resolution (which was unanimously adopted after considerable negotiation and revision) that appealed to governments to review their respective positions as regards extending their material support to a fund in accordance with changes in the international situation and other relevant factors, both national and international. The resolution invited member states to transmit to the Secretary-General of the United Nations their views as definitely as possible concerning the establishment, role, structure and operations of a special fund on the basis of a questionnaire prepared at the Tenth General Assembly for circulation to member governments.

2. Over the past two years the number of countries which originally joined with Canada in opposing the immediate establishment of a special fund has been declining. At the Tenth General Assembly the only countries which were prepared actively to oppose the establishment of a fund were the United States, the United Kingdom, Australia, New Zealand, South Africa and Canada. On the other hand, the pressure from all the underdeveloped countries for the creation of such a fund was growing and a second group of countries, made up largely of Western European states, had swung over to a more active support of the proposal. (Some of the Western European states such as the Netherlands, in fact, have been supporters of the proposal for several years). With this change in attitude there is a possibility that the special fund might be established even against the wishes of those countries which now actively oppose it. Countries of the West will wish to give special attention

to the questions which are now relevant in considering the importance and usefulness of a United Nations aid fund. The increasing needs of the underdeveloped countries and the position of the West in the new situation involving competitive co-existence with the Soviet Union should be carefully examined in determining the attitude which Canada will wish to adopt in relation to the discussions for the creation of the fund.

3. In the past, countries that might be regarded as potential contributors (including Canada) have generally been reluctant to enter into discussions in the United Nations which might involve any commitments about the immediate establishment of a special fund. As a result, the limited group of countries which opposed the immediate creation of SUNFED have not so far taken any active part in the shaping of the proposals for a capital aid fund.

4. In view of the growing likelihood that some sort of fund will be set up in the not far distant future, the time seems to have come when Canada should play an active part in the detailed discussions regarding its possible nature and scope. In particular, the Canadian Government should, at this stage, send a reply to a questionnaire drawn up and approved at the last United Nations General Assembly. A copy of the proposed reply which has been drawn up by officials from the Departments directly concerned is attached.

5. The replies to the questionnaire from all member states will be considered and analyzed by an ad hoc committee which will meet in New York on May 7. This committee is made up of 16 countries including Canada. Mr. A.F.W. Plumptre, the Assistant Deputy Minister of Finance, will be the Canadian representative. During the meetings of that committee an opportunity will be given to the various delegations to participate in discussing the structure of a capital aid fund in a practical and constructive manner, but no commitments about the immediate establishment of the fund will arise at that meeting.

6. The approval of Cabinet is sought for the attached Canadian reply to the United Nations questionnaire. Since it seems desirable that Canada should now assume a less negative attitude than in the past, our earlier reservation that the establishment of the fund should await a universally accepted disarmament plan is not repeated. In the general statement of position in our reply it is simply stated that the Government's final decision regarding a fund of the type now under consideration will depend in large measure on whether it is satisfied that the organizational and administrative arrangements are such as to lead to efficient operation and that the fund would command sufficient financial support to enable it to operate effectively.

7. The questionnaire is, of course, primarily concerned with matters of form (organizational and operational procedures). The more substantial questions concerning the establishment of a special fund are likely to be discussed at the Summer Session of ECOSOC. Cabinet will be consulted again in advance of that meeting concerning the position which Canada will adopt.

L.B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Réponse

Reply

REPLY TO THE UNITED NATIONS QUESTIONNAIRE ON THE ESTABLISHMENT OF A SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT

General Statement of Position

The Canadian Government has in the past supported a special fund in principle but has opposed its immediate establishment. The Canadian Government's final decision regarding a fund of the type now under consideration would depend in large measure on whether it was satisfied that the organizational and administrative arrangements were such as to lead to efficient operation and that the fund would command sufficient support to enable it to operate effectively.

In replying to the present questionnaire the Canadian Government has attempted merely to set out certain principles which in its opinion should be taken into account if a special fund is established and in preparatory work which is undertaken working towards the eventual establishment of a fund.

All the particular suggestions put forward below are subject to this general statement of position.

Replies to Questionnaire

Question 1: What, in the expectation of your Government, will be the role of a special fund for the economic development of your country?

Answer: The Canadian Government does not expect that a special fund will play any part in the economic development of Canada.

Question 2: What is your opinion as regards the nature of contributions to the operational budget of the special fund?

Answer: The Canadian Government considers that appropriate arrangements should be agreed upon among potential contributors for the initial provision of adequate operational funds. Subsequent contributions should be voluntary. All contributions should normally be made in convertible currencies.

Question 3: What is the opinion of your Government about the initial sum which should be collected before the special fund starts its operations?

Answer: The Canadian Government considers that something like $250-million, mostly in convertible currencies, should be an immediate prospect before an effective fund of the type now under consideration should be set up.

Question 4: What does your Government think about the special fund making grants-in-aid and loans and under what terms and conditions?

Answer: The Canadian Government is of the view that aid extended by the special fund should normally be in the form of grants. If any loans are made they should be on terms comparable with those on which capital is available from the IBRD except that they would be repayable in local currencies rather than in the currencies in which they were made.

Question 5: What is the opinion of your Government about the relationships between the special fund, on the one hand, and the United Nations and the specialized agencies, on the other?

Answer: The special fund, while having independent international legal status should be a specialized agency of the UN and it should establish close working relationships with other UN specialized agencies and organizations and in particular with the International Bank and the Technical Assistance Board. In the establishment of the special fund every effort should be made to coordinate its activities with those of other existing international organizations on a basis which would avoid duplication of functions.

Question 6: What should, in the opinion of your Government, be the structure (governing bodies and management) of the special fund?

Answer: The structure of the special fund should be made up of a General Council, an Executive Board and a Director General.

The General Council would be composed of all member states and should meet biennially. Among other functions it would perform the following:

(a) Elect the members of the Executive Board;

(b) On recommendations of the Executive Board approve the administrative budget of the special fund and review its basic policies;

The Executive Board, consisting of major contributors and other members of the fund, would be elected on a basis which would ensure efficiency of operation, equitable allocation of resources, and continuing financial support. The main functions of the Board would include the following:

(a) A review of the administrative budget of the special fund before passing it on to the General Council for approval;

(b) The selection of the projects which the special fund should finance from among the applications for assistance. It should also determine the terms and conditions of such financing.

The Director General should be appointed by the Executive Board and be an ex officio member of it. The Director General should be the administrative head of the special fund and would assume all the duties normally connected with such a post.

Question 7: What should, in the opinion of your Government, be the methods and mechanism for the appraisal of projects submitted by Governments?

Answer: The Canadian Government considers that each request for assistance should be submitted directly to the special fund by the Government of the country seeking assistance. The Canadian Government would expect that extensive use will be made of the facilities of the IBRD, the TAB and other international agencies as appropriate to appraise the projects submitted to the special fund. Adequate procedures should be established to assure that resources are allocated equitably and efficiently to meet the most important and urgent needs of the underdeveloped countries, having regard, of course, to the fact that such needs may also be met by funds from other sources. (See reply to question 8.)

Question 8: Any other suggestions your Government may have regarding the structure and functions of the special fund.

Answer: The Canadian Government has the following additional suggestions to make:

FUNCTIONS OF THE SPECIAL FUND

In addition to helping to finance the cost of the social-economic infrastructure of underdeveloped countries, the special fund should:

(a) Upon request, assist in various ways the arrangement of bilateral aid programmes, in particular by assisting countries which have bilateral aid programmes in selecting projects or in administering their programmes; and

(b) Facilitate the co-ordination of aid programmes by collecting and disseminating information, in particular by publishing, annually, reports on the aid supplied by each of its members — whether that aid is supplied bilaterally through some other international organization, or through the special fund.

354. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], April 26, 1956

Present

The Prime Minister (Mr St-Laurent) in the Chair
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Health and Welfare (Mr. Martin),
The Minister of National Revenue (Mr. McCann),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters), (for morning meeting only)
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham), (for morning meeting only)
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald), (for morning meeting only)
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

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SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT; CANADIAN REPLY TO U.N. QUESTIONNAIRE

28. *The Secretary of State for External Affairs* reported on proposals made in the past in the United Nations for a special fund for economic development. At the last meeting of the General Assembly a resolution was unanimously adopted inviting nations to reply to a questionnaire on the establishment and role of such a fund. Ever since the question was first mooted, Canada had consistently opposed a special fund. However, pressure was increasing and there was a possibility that a fund might be set up despite Canadian wishes. In determining Canada's attitude on this matter, the increasing needs of the underdeveloped countries and the position of the west in the new international atmosphere should be carefully examined. It was, perhaps, time that Canada should play an active part in discussions on the details of the plan and should reply to the U.N. questionnaire. Answers from all countries were to be analysed at a meeting in New York at which Canada would be represented. It seemed desirable now to assume a less negative attitude and to state that the government's final decision on a fund of this type would largely depend on whether it was satisfied that the administrative arrangements would lead to efficient opera-

tion and that the fund would command sufficient support to enable it to operate effectively. The question of whether a special fund would, in fact, be established would be discussed at the Economic and Social Council meetings in the summer, prior to which the Cabinet would be consulted.

Proposed answers to the eight questions in the U.N. questionnaire were submitted.

An explanatory memorandum had been circulated.

(Minister's memorandum, April 18, 1956 — Cab. Doc. 92-56)

29. *Mr. Pearson* added that he would be willing to defer transmitting the answers until the United Kingdom and the United States had submitted their replies. It was difficult to answer the questionnaire especially as attitudes both here and abroad were changing. An effort had been made to be cautious but Canada could not, in his view, remain completely negative.

30. *During the discussion* the following points emerged:

(a) The answer to question 4 which concerned use of the fund for both grants-in-aid and loans, was disturbing on two grounds. It would mean establishing another organization to do something which the International Bank for Reconstruction and Development was already doing. Secondly, it introduced the principle of accepting repayment of loans in local currencies — something which had always been refused in answer to representations made in Parliament on direct Canadian aid abroad. To these objections, it was said that the reply did not come down directly in favour of loans. It was nonetheless desirable to reduce international assistance in the form of grants by use of loans, even if these were not commercially sound in the accepted sense. Less stigma was attached to assistance of this kind.

(b) If the fund were established, foreign aid, regardless of the form in which it was given, would be increased. However, at least the figures mentioned for SUNFED were far below what was being suggested in the N.A.T.O. forum.

(c) In addition to further aid, there would be the added expense of maintaining and operating another U.N. agency which was undesirable in itself. The International Bank could be used for the purposes envisaged. This would mean an amendment to the U.N. Charter.

(d) Another way of administering the programme might be through an increase in the size of the Technical Assistance Board, thus obviating the necessity of a separate organization.

(e) It would seem unnecessary to contribute to SUNFED if other countries did not do so.

31. *The Cabinet* deferred decision on a proposed reply to the U.N. questionnaire on the establishment of a special United Nations fund for economic development, submitted by the Secretary of State for External Affairs, pending further consideration of the answers by

the Minister of Finance; it being understood that any reply would not be transmitted until the United Kingdom and the United States answers were presented.[60]

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355. DEA/11423-40

Projet d'une note pour le premier ministre

Draft Memorandum for Prime Minister

SECRET [Ottawa], June 7, 1956

SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT (SUNFED)

On May 3 Cabinet approved a set of answers by Canada to a United Nations questionnaire concerning the form and functions of a proposed Special United Nations Fund for Economic Development (SUNFED). The Canadian reply did not definitely commit Canada to contribute towards SUNFED, but at the same time it dropped the reservation which Canadian representatives had expressed on previous occasions, that our contribution to such a Fund would have to wait for savings resulting from the general acceptance of a world disarmament plan. Our reply stated, however, that the final decision of the Canadian Government "would depend in large measure on whether it was satisfied that the organizational and administrative arrangements were such as to lead to efficient operation and that the Fund would command sufficient support to enable it to operate effectively".

2. Our present approach to SUNFED is based on the belief that aid through a United Nations channel would be more acceptable to the uncommitted countries of South-East Asia and the Middle-East than aid offered through bilateral arrangements; that it could be a valuable and non-contentious channel for assistance to the emerging African members of the Commonwealth; that it would attract resources for assisting underdeveloped countries *in addition* to the resources now available under the various bilateral programmes, and would probably draw contributions from Western European countries such as Germany, Netherlands, Belgium and the Scandinavian countries which have not developed to any extent bilateral assistance arrangements with underdeveloped countries; that it would be wise to try to divert Soviet offers of assistance through United Nations channels; and that in the long run it is logical and proper that a United Nations agency should play a large role in the administration and operation of an international economic assistance programme. SUNFED is not regarded by the Departments in Ottawa which have been studying the question as a substitute for the Colombo Plan, the various bilateral assistance

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[60] La réponse du Canada au questionnaire a été examinée et approuvée par le Cabinet le 3 mai 1956. Dans la version révisée, la deuxième phrase de la réponse à la question n° 4 a simplement été effacée, et la plupart des détails concernant la structure proposée pour la nouvelle organisation d'aide ont été enlevés de la réponse à la question n° 6. La phrase suivante a été ajoutée à cette dernière réponse : « However, certain dangers must be kept in mind from the outset, particularly the dangers of unduly multiplying staff, and unduly increasing the sessions of the board and the general meeting. » Pour la réponse révisée, voir le document du Cabinet n° 103-56.

The Canadian reply to the questionnaire was reconsidered and approved by Cabinet on May 3, 1956. The revised version simply deleted the second sentence in the answer to Question 4 and removed much of the detail concerning the proposed structure of a new aid organization from the answer to Question 6. To this answer, it also added the following sentence: "However, certain dangers must be kept in mind from the outset, particularly the dangers of unduly multiplying staff, and unduly increasing the sessions of the board and the general meeting." For the revised reply, see Cabinet Document No. 103-56.

programmes now operating, or the United Nations technical assistance programmes, although it might take over parts of the existing programmes, and some of the contributions now being made to these programmes might be diverted into SUNFED. Basically, however, SUNFED would represent a net increase in the amount of assistance available to underdeveloped countries for development purposes.

3. Australia, New Zealand and South Africa have been unenthusiastic about SUNFED. The United Kingdom still considers SUNFED should await reduction in armament spending resulting from an international agreement on disarmament. The United Kingdom considers that without this reduction in armament spending, it cannot do more by way of assistance to underdeveloped areas than it is already doing by contributions to its colonial development schemes, the Colombo Plan and the United Nations technical assistance programme, and through the outward flow of private United Kingdom investment. The major obstacle to the early establishment of SUNFED, however, is the reluctance of the United States to put part of its assistance contributions into United Nations or multilateral programmes. There is not yet any indication of a basic change in the United States attitude, although certain influential Americans, including Mr. Cabot Lodge, Jr., have recently come out in favour of making a larger part of United States assistance funds available to United Nations programmes.

4. India, Pakistan and Ceylon have, of course, actively supported the early establishment of SUNFED. Mr. Nehru in a speech to the House of the People on March 29 referred in sceptical terms to the motives behind bilateral aid, and went on to say: "I attach a good deal of importance to this proposal for SUNFED because it will bring about gradually and completely, I hope, a different relationship between the giver and the taker which will be advantageous to both....".

5. The question of the establishment of SUNFED is to be discussed again at the forthcoming meeting of the United Nations Economic and Social Council in Geneva (Twenty-second Session: July 4-August 10). ECOSOC will have before it a report prepared by an ad hoc committee of representatives of sixteen countries, including Canada which met in New York during May to examine the replies from governments about the functions and organization of SUNFED (should it be established) which most member countries (but not yet the United States nor the USSR) have submitted in response to the United Nations questionnaire. The ad hoc committee confined itself to analyzing and summarizing these replies. There seems to be fairly general agreement among those countries which have replied that the fund should initially be in the neighbourhood of $250 million, although it is widely considered that SUNFED might begin operations with less than this amount. There is a variety of opinion about whether those funds should be available as grants-in-aid or as loans, and about whether loans of the Fund should be at normal or at subsidized rates of interest. There is general agreement that SUNFED should operate in close consultation with other established United Nations Organizations, particularly the International Bank and the Technical Assistance Board.[61]

6. In the absence of a more positive attitude by the United States, United Kingdom and the USSR, it is difficult to envisage a very fruitful discussion emerging at the forthcoming ECOSOC meeting. The whole question of assistance to underdeveloped countries is a very live one, however, and there have recently been a number of proposals both inside and outside United Nations meetings for increasing the amount of capital available for development purposes in underdeveloped countries and extending the technical assistance

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[61] Pour un rapport sur la 22^e Session du ECOSOC, voir le document 373.
For a report on the 22nd Session of ECOSOC, see Document 373.

programmes of United Nations agencies. At the recent Ministerial meeting of the NATO Council M. Pineau suggested that the NATO countries should propose the establishment of a United Nations agency to operate an international economic development fund and urged special efforts for countries which have not been receiving their share of available economic assistance. In this regard, countries with limited administrative facilities are undoubtedly encountering real difficulties in mapping out and administering their development programmes. You may recall that Mr. Pearson in a speech to the Red Cross in Toronto in April, suggested consideration of a "United Nations Professional and Technical Civil Service" to assist underdeveloped countries in drawing up and pursuing their development plans.[62] This suggestion was taken up by Mr. Hammarskjöld in a speech at McGill University on May 30[63] and linked to the proposals of M. Pineau. It is likely to be pursued at forthcoming meetings of United Nations bodies, and obviously merits careful consideration.

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356. DEA/5475-B-40

Note du chef de la Direction des Nations Unies
pour le sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from Head, United Nations Division,
to Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], August 24, 1956

E.C.O.S.O.C.

The very interesting attached memorandum prepared by Mr. Plumptre was referred to me by Mr. Ritchie.

2. This memorandum confirms our impression that the West as a whole may be underestimating the importance of ECOSOC and in particular of the role it can play in meeting the Soviet effort to expand their influence in non-committed areas. We have been right to attempt to play ourselves a more positive role than in the past, but we are operating within fairly strict limitations, financial and constitutional. It is clear, as Mr. Plumptre suggests, that any effective lead must be taken by the U.S.A.

3. It may be that, for a while, both the U.S.A. and the U.K. cannot develop the required new policies: we can discuss in Washington and London what could possibly be done, in a positive way, when we make our preparations for the resumed session and for the General Assembly. I wonder, however, whether a slightly more understanding approach on the part of the U.S.A. and the U.K. might not yield interesting dividends, even if both have to live with their present major policies. As our delegation has shown in the course of two sessions of ECOSOC, if a genuine effort is made to understand the problem of the under-

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[62] Voir Canada, ministère des Affaires extérieures, *Affaires Extérieures*, vol. 8, N° 4, avril 1956, pp. 110-113.
See Canada, Department of External Affairs, *External Affairs*, Vol. 8, No. 4, April 1956, pp. 102-105.

[63] Le discours d'Hammarskjöld est reproduit dans Andrew W. Cordier et Wilder Foote, éditeurs, *Public Papers of the Secretary-General of the United Nations*, Volume III, *Dag Hammarskjöld 1956-1957*, New York: Columbia University Press, 1973, pp. 149-157.
Hammarskjöld's speech is reprinted in Andrew W. Cordier and Wilder Foote, eds., *Public Papers of the Secretary-General of the United Nations*, Volume III, *Dag Hammarskjöld 1956-1957*, New York: Columbia University Press, 1973, pp. 149-157.

developed countries, ideas may emerge which are helpful to those countries and yet generally compatible with our own requirements.

4. It is a pity that the U.K. representatives, in particular, should be so preoccupied with their financial worries that the wealth of their experience as tacticians and as experts on the substance of the issues involved seems to be largely unused.

5. It is important to bear in mind that the U.S.A. and the U.K. attitude is equally too negative in the semi-political and social fields dealt with by ECOSOC: without undue concern we are losing ground, for instance, in debates concerning human rights and self-determination on the apparent assumption that all will be right if we can hold our own in the statistical, the population commissions and similar technical bodies.

6. There is need, therefore, for fresh U.S.A. and U.K. leadership in the various fields of ECOSOC operations and, pending the development of new policies, for a more understanding and positive approach on their part of the aspirations of the less developed and newly established States. Anything we can do to encourage this will be useful. This is based, of course, on the assumption that we ourselves will continue to send well prepared, integrated and dynamic teams to ECOSOC meetings.[64]

M. CADIEUX

[PIÈCE JOINTE/ENCLOSURE]

Note du sous-ministre adjoint du ministère des Finances

Memorandum by Assistant Deputy Minister, Department of Finance

RESTRICTED [Ottawa], August 13, 1956

SOME GLOOMY THOUGHTS AT THE END OF ECOSOC ON SUNFED, INDUSTRIALIZATION AND PRIMARY PRODUCTS

Dag Hammarskjöld opened the Summer Session of ECOSOC with a strong appeal for measures to achieve greater stability in markets and prices for primary products. He pointed out that since the war economic progress in the industrialized countries had far outstripped progress in the underdeveloped countries, that the latter depended on primary products for their livelihood, that wide fluctuations of primary products prices continued despite the maintenance since the War of high levels of employment and demand in the industrialized countries, that these fluctuations seemed far wider than required to correct basic economic maladjustments, that they produced serious economic instability in the countries concerned, that this undermined political stability, and that the economic support provided by all aid from abroad could be wiped out by relatively small reductions in export prices.

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[64] Les commentaires manuscrits suivants figurent à la fin du document:/The following handwritten comments appear at the end of the document:

> I agree very strongly with Messrs Plumptre and Cadieux. The West suffers a great many defeats in the U.N. not from Western stinginess but from stuffiness. With the Americans it comes from political confusion and naive economic conceptions; the British suffer from plain Foreign Office rigidity of mind, the constant view that underdeveloped people are "tiresome" (the F.O.'s favourite adjective) and at best an irresistible compulsion to lecture the unwashed. The Canadian attitude frequently combines the worst of the British and American attitudes — extreme economic simplicity along with the complacent view of the nouveaux riches that the poor are that way because they won't work hard. We need more faith and more recklessness more than larger appropriations. J.W. H[olmes]
>
> Le monde se remet de maux économiques alors que les médecins à son chevet n'y entendent rien, et pour cause ... J. L[éger]

2. Throughout the Session, the underdeveloped countries sang variations on three themes: SUNFED; industrialization; and a better deal for primary products. They got support, indeed leadership, from USSR, and Czechoslovakia, with Yugoslavia doing a very clever job of running interference. These countries sponsored SUNFED, not as a body to supplement the World Bank by supplying "social infrastructure" but as a channel for supplying their own machinery presumably their own technicians to help industrialize the underdeveloped countries. Industrialization — diversity — would relieve underdeveloped countries of complete dependence on primary products; they could all grow big and strong like Russia. As for the primary products themselves, these three countries proposed and supported a new world-wide organization which would be concerned with trade of all types; GATT, they said, facilitated trade by lowering tariff barriers against manufactured goods amongst free enterprise countries but it had nothing whatever to offer to other types of countries which faced other types of obstacles in marketing other types of products. After talking in this vein for some time they backed away, for the time being, from the new world trade body and, full of sweet reasonableness, gave strong support to the three U.N. Regional Commissions; if only these three could get together somehow, new possibilities would open up for inter-regional trade — and a new multilateral platform would be built from which the USSR could paddle its bilateral trade agreements, seemingly so much more secure than the fluctuating commodity markets of the free world.

3. Against these attractions from the East, what did the leaders of the West have to offer? On SUNFED, the U.S. repeated parrot-like that they could consider this project when internationally agreed disarmament released some funds; they then gave a long Republican lecture on the virtues of private capital investment. The U.K. said that they were already being very "generous" (it was their word) to under developed countries and could not afford anything more at present. Indeed they were so poor that it was doubtful whether they could support any expansion in U.N. activities in any direction. On industrialization, the U.S. had nothing particular to say beyond reiterating the virtues of private enterprise. The U.K. painted a sombre picture of the dangers and pitfalls awaiting those who ventured along the path of an industrial revolution, and urged them to take it very slowly and cautiously. In regard to primary products the U.S. made a *sotto voce* reference to their preference for a commodity-by-commodity approach as opposed to any sort of omnibus arrangements (e.g. a World Food Reserve). The U.K. proclaimed the same doctrine *fortissimo*, apparently untroubled by their absence from the International Wheat Agreement. They then proceeded to distinguish themselves from everyone else by voting in splendid isolation against a resolution providing for a modest review of existing international machinery. Finally, both the U.S. and the U.K. declined to serve on the admittedly misguided and misbegotten U.N. Commodity Commission (CICT).

4. Fortunately underdeveloped countries realize that the U.S. and U.K. are in real life much more cooperative, and the USSR much less, than they make themselves appear at such a conference. Hence there was no rush towards the Eastern exit. But, surely, the U.S. and U.K. cannot afford to ignore for long how much more attractive the Eastern exit has been made to look than the Western.

5. It does not follow from this remark that the U.S. and U.K. have to buy the particular packages that are nowadays being peddled. These include: a SUNFED in the form evolved by two U.N. committees of experts; a possible U.N. specialized agency to foster industrialization; and, in the field of primary products, various types of machinery including the proposed world trade organization, the aggrandizement and partial fusion of the three U.N. regional commissions (ECE, ECLA and ECAFE) and the unlovely U.N. Commodity Com-

mission (CICT). What is necessary is not that these particular leads should be followed but that some leads should be given.

6. It is to the U.S. that the West must look for leadership. Others can only prod, preach and persuade. However, one or two observations may be useful as a basis for discussion.

7. In the field of industrialization, the West should certainly not go overboard to try to meet the wishes — often scarcely more than whims — expressed by various underdeveloped countries. (I recall an Indonesian once asking if we would help them under the Colombo Plan to set up a motor-car factory.) In spite of Eastern blandishments, we must try to persuade the underdeveloped countries to maintain a sense of realism and sound economy. And actual Western performance in regard to industrialization has been good, not merely under bilateral programmes, which are never very popular in U.N. circles, but through multilateral agencies:- the World Bank, the new IFC, and the U.N. technical assistance programme. It is my impression that what is needed is continuing emphasis on and support for these agencies combined with sympathetic talk (as opposed to condescending lectures) in ECOSOC and the Assembly and a willingness to go along with some not-too-useful Secretariat studies of particular problems.

8. SUNFED presents the U.S. with special problems. It presents the Russians with not dissimilar ones but they say they support it and then add that they are really talking about something quite different! The question immediately arises: what can the U.S. support in this line of country? Here I would make two comments, one positive and the other negative. First, something attractive might surely be made out of various Canadian suggestions — Mr. Pearson's Red Cross speech, his "blueprint" idea at Warm Springs, and the two proposals in the Canadian Government's reply to the SUNFED questionnaire. Second, there is a real danger that, just as the USSR would try to use SUNFED as a means of exporting Russian machinery, so the U.S.A. would try to use it as a means of disposing of farm surpluses; we must be on our guard against both.

9. It is the field of primary products that I regard as at once the most important and the most difficult. It is the most important because it lies at the basis of the stability — economic stability and hence, particularly in Asia, political stability — of the underdeveloped countries. It is the most difficult because proposals cut across the normal free forces of supply and demand in world markets, and are accordingly particularly unsavoury in Republican nostrils. Further, the behaviour of the U.S., so good in many other fields, leaves so much to be desired in this one; indeed their assiduous efforts to stabilize their domestic markets for their own primary products so frequently lead them to upset markets for the primary products of other countries.

10. One can only ponder what Washington, surrounded by a sea of U.S. inhibitions, might find least impossible. It would be my own estimate that quite a bit might be accomplished if U.S. could be persuaded to pay more than a whispered lip-service to the commodity-by-commodity approach to possible stabilization in the field of primary products. This means, I suppose, some positive U.S. initiative in some of the many international commodity study groups combined with a willingness, if agreement emerges, to embark on two or three stabilization plans, on the pattern of the Wheat Agreement or otherwise.

11. If there is anything in these ideas — or other ones — they might be put forward in due course to the U.S. either informally by officials or at the next Canada-U.S. Ministerial meeting or both. They might possibly be put on the table for discussion in NATO.

A.F.W. PLUMPTRE

357. DEA/11423-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs

TELEGRAM 136 New York, January 10, 1957

CONFIDENTIAL. IMPORTANT.

Repeat Washington, London, Paris, NATO Paris (Information).

SUNFED

The usual pattern of UN consideration of SUNFED is already emerging even though the item itself will not be reached for at least another week. The Latin American delegations have already submitted a Draft Resolution AKKC 2/L 296 of January 9 which requests the Ad Hoc Committee to prepare a draft statute for a proposed special fund in anticipation of its early establishment. The Arab-Asian group is privately circulating another draft resolution which requests the Ad Hoc Committee in addition to preparing a statute also to submit a preliminary outline of operations for the first period of SUNFED's activities to the 24th Session of ECOSOC. The Arab-Asians had hoped to prepare a joint draft with the Latin Americans but the latter group rushed its resolution in first. In this situation the USA and UK delegations are prepared to take a strong stand against any decision which would anticipate the early establishment of SUNFED and involve the drafting of statutes. Our general position with regard to the drafting of statutes has been made known to the interested delegations. We propose as a tactical measure to remain on the sidelines for the time being, and have not yet thought it desirable to suggest that we could support or prepare any alternative text.

2. However, we had a meeting today with the UK and USA delegations at which possibilities for avoiding an acrimonious clash on SUNFED in the Committee were discussed. We suggested that our conversations with the Latin American delegations and in particular Brazil suggested that those delegations were not prepared to compromise as easily as at some previous sessions of ECOSOC and of the General Assembly and that they might be prepared to see something of a showdown discussion on the SUNFED item. Similarly it was clear that the Arab-Asian Bloc led on this issue by Egypt were less inclined to conciliation now than they were even at the 22nd Session of ECOSOC. If the USA and UK positions remained rigid there was therefore a likelihood of a much more open difference of opinion on SUNFED at this session than at previous UN meetings and a vote in which the UK and the USA and perhaps Australia and NZ were more or less isolated — a situation which the Canadian delegation would regret. The UK position has become if anything more financially rigid than in previous years. The USA position still remains the same as at other UN meetings.

3. Both the USA and the UK delegations thought that they would be quite prepared to have an initial exchange of views in the Committee with the underdeveloped countries on the basis of the Arab-Asian and Latin American tentative drafts. They agreed however that it would be desirable to prepare as soon as possible an alternative resolution which could be brought forward at the appropriate moment. We do not necessarily share the view that a perhaps bitter exchange between the USA and UK and the under-developed countries would be profitable or desirable prior to consideration of a compromise draft of some kind

but it appears as if the underdeveloped countries really want a battle and that the USA and UK are almost looking forward to the fray.

4. We agreed however to prepare a draft of a resolution which would emphasize the need to build on the Ad Hoc Committee's report as discussed in paragraph 24 of Chapter II(2) of the commentary.† You will recall that the resolution setting up the Ad Hoc Committee included amongst its tasks the preparation of "such conclusions as clearly emerged from the above analysis". (The analysis is of course the analysis of the views contained in government replies to the SUNFED questionnaire.) When the Ad Hoc Committee completed its preliminary report the conclusion section was regarded as inconclusive to say the least. The UK and USA would be prepared to participate in an effort by the Committee to draw more general and more ambitious conclusions. We gather also that both would be willing to see a request circulated by the UN for a statement of the contributions which governments would be prepared to make to the fund. We had of course already advised the US delegation of your views on this question and took this opportunity of repeating them. We argued that most governments would find it impossible to make any commitment concerning their contribution in the absence of agreement on the nature of the fund to which they would be contributing or on the amount and nature of the contributions which other governments would be prepared to make. We understand that the UK and US delegations would be glad to state that they would not repeat not be able to make a contribution to SUNFED at the present time and would welcome a general realization of exactly what resources might then be available for SUNFED. The USA representative suggested that one way around this difficulty would be to ask governments to answer this question on whatever assumptions they saw fit to make. We considered this unrealistic.

5. (We were told incidentally of the difficulties which the USA administration has had in making any reply to the SUNFED questionnaire. It appears that a draft reply or statement on SUNFED of an extended and definite nature has been prepared and widely circulated within the US government. At present however it concludes with a sentence on which the USA Treasury insists to the effect that the USA is not willing to consider any further modifications of the position set out in the paper. The US State Department has refused to submit this reply to a UN body in a manner which would suggest that there was no further room for discussion or modification of the USA position. The US Treasury refused to remove the offending sentence and there the matter rests.) The USA delegation believe that the USA could not participate in any statute exercise now and could withdraw from the Ad Hoc Committee if that body undertook the task.

6. We have therefore prepared a very rough outline of a resolution which might carry the UK and USA even in the present difficult circumstances. We are not sure how our draft would be greeted by the underdeveloped countries. However the Indian and Indonesian delegations have private doubts, as do some of the Latin Americans, about the usefulness of drafting statutes at the present time. Certainly it would be opposed by the USSR and its supporters (with the possible exception of Poland) since as you will recall the Soviet Bloc was against even the limited conclusions contained in the interim Ad Hoc Committee report. The USSR would probably be willing to vote irresponsibly for the drafting of statutes but we believe their position could be made very difficult by a resolution such as we have drafted which would envisage further discussion of the principles as yet unsettled on which any draft statutes would have to be based.

7. It would be undesirable in the USA view apparently for the Ad Hoc Committee to attempt to reconcile the difficulties which would emerge in more ambitious conclusions. If the Committee is to reconcile these conclusions and produce a set of principles on which SUNFED might be established then to the USA this would not be much better than an

attempt to draft statutes. There might be something to be said however for asking the Ad Hoc Committee not only to set out in detail the inconsistencies between the various points of view on SUNFED but also to produce a consistent general pattern for a proposed special fund. We judge that the USA might eventually go along. We would therefore be grateful for your comments on this question and on the following rought draft at an early stage so that we could give any text you approve to the USA and UK for the consideration of their governments prior to its possible submission. Text begins:

(Some standard preambular paragraphs followed by something along these lines) Noting that Resolution 923 (x) established an Ad Hoc Committee to analyze the replies and comments of governments transmitted to the Secretary General concerning the establishment, role, structure and operations of a Special UN Fund for Economic Development.

Recalling that the report of the Second Committee to the General Assembly, Document A/3065, provides that the task of the Ad Hoc Committee would be to prepare a summary of the views submitted by governments an analysis of those views and such conclusions "as clearly emerged" from the above analysis.

Noting further that the interim report of the Ad Hoc Committee on SUNFED emphasizes that the conclusions contained in that report should be read in conjunction with replies of governments and the statistical analysis of those replies and should not be read "by themselves".

Recognizing that the conclusions contained in the Ad Hoc Committee's report are primarily statistical, do not take into account the diversity of opinions put forward, and that some of the features of the general pattern of the special fund which emerges are not fully consistent with each other.

Recognizing also that governments were not expressly requested to indicate to what extent they would be prepared to give a special fund financial support and therefore generally did not deal with this question in their replies to the SUNFED questionnaire.

Requests the Ad Hoc Committee in its final report to the 23rd Session of Economic and Social Council:

(1) to expand the section on conclusions in the interim report taking into account such factors as the diversity of opinions put forward and the absence of replies from some governments including some of the major potential contributors

(2) to prepare a general pattern of a proposed special fund on the basis of government replies the features of which would be consistent with each other ("as a basis for any future draft statute" might later be added if necessary).

8. We do not hold very strongly to the wording which we have set out above. We would be grateful however for your views on whether language of this kind would be acceptable for Canadian sponsorship. You will note that we have not included in the operative paragraphs the UK and USA suggestion that the Secretary General might be asked to circulate an additional request to member governments for info on the type and extent of the financial support which they would be willing to give to a special fund using such assumptions as might be considered necessary in each case.

9. We have not mentioned your thinking on the subject of a compromise proposal to any other delegations than the UK and the USA at this stage.

358. DEA/11423-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs

TELEGRAM 181 New York, January 15, 1957

CONFIDENTIAL. IMPORTANT.
Reference: Our Tel 136 Jan 10.

SUNFED

In the light of the continuingly negative USA attitude on SUNFED we have felt some concern at the possibility that our efforts to produce compromise resolutions at this or other UN meetings, and to lead the USA towards an eventual position in which that country might be able to contribute to a SUNFED, were in vain and therefore to some extent unnecessary. If, in fact, the USA would never contribute to a genuinely multilateral UN fund or to some variation of this idea then there may be something to be said for the Brazilian suggestion that we avoid maintaining false hopes and bring the exercise to a conclusion.

2. We therefore approached the USA delegation for their analysis of the ultimate prospects for the eventual approval of some kind of SUNFED by the USA.

3. We were reminded that the USA had gone on record as being in favor of some form of SUNFED upon the attainment at world-wide disarmament. However, USA officials have said privately and Walter Kotschnig has said publicly in an informal UN meeting with representatives of the underdeveloped countries that the disarmament issue is not the real basis for the USA position since the financial magnitudes involved are so different, the USA contribution needed for the initial establishment of SUNFED being only in the nature of one hundred million dollars.

4. If some measure of world wide disarmament is in fact attained then the USA position on SUNFED would certainly be more difficult. However, in the current political situation it seems unlikely that there will be a sufficient degree of world wide disarmament to make a basic change in US policy on SUNFED possible on this ground alone.

5. Therefore, if we assume

(a) that world wide disarmament is unlikely, and

(b) that whether it is likely or not the USA does not regard this condition as determining then the real basis for USA opposition to SUNFED must lie elsewhere.

6. The history of the USA contribution to the expanded program of technical assistance suggests that in fact the USA Congress is not prepared to make a substantial financial contribution over which it would lose control to any UN body. The USA Administration has been successful in maintaining its present contribution to the expanded program of technical assistance only by obscuring the multilateral nature of the expandable programme and by securing a minimum set of safeguards against the use of the USA contribution for political purposes of which the US Congress might disapprove.

7. There has been, however, a good deal of change in the USA government with regard to USA policies on multilateral aid. The Milliken and Rostov analysis[65] has done some good and the conversion of Ambassador Lodge and we are told "of some other USA officials" has also helped. The fact remains, however, that sufficient USA government officials, particularly in the Treasury, are opposed to an even modified SUNFED that the idea at present has little chance of success.

8. When we asked our USA colleagues what conditions they thought would have to be fulfilled before a change of heart by the USA government officials concerned could be expected, their reply was, it had been hinted to them from highly placed sources, that the USA would have to reconsider its position if many representative countries showed a willingness to subscribe hard cash for some version of the SUNFED idea.

9. This analysis explains the suggestion which our USA colleagues have made that the Secretary General might circulate an additional request to member governments on the type and extent of the financial support which they would be willing to give a special fund (see paragraphs 7 and 8 of our telegram under reference). Our informant thought that it would be possible for a change of heart to take place within the USA Administration if it was confronted with a situation in which many of its allies and friends were prepared to meet commitments to support a special fund. Of course this type of argument has been made by USA officials in the past. It appears to reflect a willingness which Washington has shown in the past to treat ideas with much greater respect if other countries are prepared to support them financially.

10. In this connection our USA colleagues have recently repeated what we had heard from Paul Hoffman and others that the USA was considering the possibility of substantially increasing its contribution to the expanded programme of technical assistance in order to implement some of the ideas in the "new look" paper.

11. We thought you might like to have this info in considering the draft resolution contained in our telegram under reference.

12. Incidentally, the AF 49-Asian group has now submitted a resolution contained in Document A/C.2/L 300 of January 14 which follows the pattern mentioned in our paragraph 1 of our telegram 136.

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359. DEA/11423-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to United Nations

TELEGRAM E-83 Ottawa, January 17, 1957

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegrams 136 of January 10/57 and 181 of Jan 15/57.
Repeat London, Paris, Paris NATO, Washington (Routine) (Information).

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[65] Voir/See M.F. Millikan and W.W. Rostow, *A Proposal: Key to an Effective Foreign Policy*, New York: Harper, 1957.

SUNFED

For the reasons given in your instructions, we cannot support the draft resolutions prepared by the Latin American group and the Arab-Asian group. We find it difficult to understand what these countries hope to accomplish by submitting at this time a resolution requesting the preparation of a draft statute for the proposed special fund. If the resolution is adopted, the U.S., the U.K., Australia and New Zealand (in other words, the main and some of the main potential contributors) would refuse to participate in the exercise at all. It is very doubtful whether we would be prepared to participate since we consider that such an exercise without the U.S. would be not only futile but dangerous. We are wondering whether the intention of the Latin-American and Asian groups in introducing their resolutions is, as you have intimated earlier, to place the U.S. in a position where it is forced to declare, without qualification, its unwillingness to support or participate in SUNFED and thus result effectively in postponing indefinitely further consideration of SUNFED. We are unable to judge whether they are resorting to a kind of blackmail or are genuinely losing interest in SUNFED. In any event, it is difficult to see how we can play any useful role as mediator.

2. With regard to the suggestion made by the U.K. and the U.S. for a statement of the contributions which governments would be willing to make to the fund we think that a request by the U.N. would be pointless and uncalled for. It would almost seem that the U.S. and U.K. attitudes are motivated by petulance or a desire to provoke a show-down. If this is so, it is again unclear how Canada could play a role as mediator. You are aware of our position on pledging a contribution before assurance of a U.S. contribution and knowledge of its probable size.

3. Our direct interest in SUNFED is not sufficient to warrant vigorous efforts on our part to keeping the idea of SUNFED alive if the main potential donor and receiving countries are prepared to have it shelved. We do not, on the other hand, welcome the prospect of a showdown on SUNFED at this session which would divide the Assembly into the haves and the have-nots, with the Soviet Union standing untouched on the sidelines.

4. You are in the best position to decide to what extent you can play a useful role as mediator in the present situation at the Assembly. You may consider it would be useful to point out to some of the underdeveloped countries that it may be too early to assume that the U.S. position on SUNFED is rigid and that yet a little more patience would be in their own interest. You might advise the U.S. delegation that a showdown on SUNFED at the present Assembly would benefit no one except the Soviet Union and should be avoided if at all possible. If you find that there remains some prospect for compromise your best tactic would seem to be the one that you have adopted i.e., broadening the role of the Ad Hoc Committee. In connection with the draft resolution which you have prepared, we have the following comment to make: (a) the preamble and first operative paragraphs are satisfactory; (b) with regard to the second operative paragraph, we doubt very much whether it will be possible to prepare on the basis of the replies submitted one general pattern for the proposed special fund. Indeed, we question whether it is desirable. The replies reveal some basic differences and their reconciliation would prove difficult and require a considerable amount of negotiation. We do not think that the Ad Hoc Committee should be the forum for such negotiations at this stage. Nor do we think that any mention of the work of the Committee as constituting a basis for a future draft statute should be made. This would imply an intention to draw up statutes and would lessen freedom in negotiating the statutes. As an alternative to your paragraph 2, we suggest a paragraph which would request the Committee to (i) prepare a paper showing the alternative general patterns for the proposed fund which emerge from the replies to the questionnaire; (ii) list the main

points of differences between these alternative patterns; (iii) and in so far as possible, list the advantages and disadvantages of each of the alternatives.

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360. DEA/11423-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs

TELEGRAM 270 New York, January 19, 1957

CONFIDENTIAL. IMPORTANT.

Reference: Your Tel E83 Jan 17.

Repeat London, Washington, Paris, NATO Paris (Information).

SUNFED

On January 18 the USA delegation in the Second Committee comprising Paul Hoffman, Stibravy, and Finger met Senator Croll, Pollock, Miss Bowlby, and Hadwen for a further discussion of SUNFED.

2. Mr. Hoffman has obviously been campaigning vigorously in Washington for some modifications of the USA position on UN economic aid programmes. We gather that there had been a recent meeting to which Lodge, Humphrey of the Treasury and Dulles had been present, at which Hoffman had urged the need for a change.

3. As Stibravy said, the problem is primarily psychological. The word SUNFED in USA government circles means a woolly type of UN organization for which the USA would put almost all the money to be used as the underdeveloped countries saw fit for possibly wasteful projects. Washington also fears that once a SUNFED were established, the USA would be committed to contributions in perpetuity.

4. Senator Croll commented that the USA was not the only country that had a position on SUNFED based at least partly on emotional considerations, many of the underdeveloped countries were so firmly committed to the SUNFED dream without any very clear-cut idea of what the dream involved that they would not easily abandon their long held positions.

5. Hoffman described the basis upon which the USA delegation in New York was endeavouring to promote a change in the present USA position. Officially no such change, he said had yet taken place, but he felt that some progress had been made since Washington had at least agreed to listen to new ideas. Hoffman had secured approval from Washington to make the type of approach which he was making to us. The USA delegation was having individual meetings with all the Western European countries (with the exception of Spain and Portugal) and also with Australia, NZ and Japan.

6. Hoffman was now suggesting to Washington that a modest UN capital aid fund could provide the means of stimulating much greater total expenditures on economic development. The UN could accomplish some desirable objectives even better than a bilateral USA programme. Hoffman did not minimize the difficulties which such a fund would face including serious political pressures which would hamper its operations, but appears to have concluded that the advantages of a UN fund as part of the machinery for economic aid would outweigh the difficulties. Hoffman considers that the possibility of establishing a UN capital aid fund would be encouraged if the idea could first be tried out on an experi-

F8

mental basis. Congress might also be more receptive if it could be demonstrated that the proposed fund would contain appropriate safeguards against abuse and to ensure that funds provided be used efficiently. The objectives of any UN capital aid fund would be the same as the SUNFED about which there had been so much discussion, but some way would have to be found of presenting the proposal in a fresh context.

7. Hoffman feels that he has broken the absolute hostility in Washington to the establishment of a UN capital aid fund and that it was not impossible for the USA eventually to make a contribution.

8. The USA delegation believes, however, that there is no chance of any action in Washington with regard to SUNFED before the end of this General Assembly and would welcome any proposal which we might put forward along the lines of that discussed in paragraph 4 of your tel under reference. This would be one way of avoiding a showdown between the developed and the underdeveloped countries in which the USSR would be the only winner. The USA position for the purposes of the present Assembly remains as before and therefore flatly opposed to participation in any statute drafting exercise. The USA delegation believes that to force a vote on the drafting of statutes at the present time might well produce an absolute rigidity in Washington and endanger any progress which might be made by the USA delegation in New York and the various committees investigating economic aid programmes towards support for some part of US economic aid funds being used for multilateral assistance through the UN.

9. Hoffman has apparently finished one round of discussions in Washington and will shortly embark on a second. During his first round and at the meeting mentioned earlier in this message Humphrey of the Treasury has said that he understood that the USA would be the only major contributor to a proposed UN fund. Lodge and Hoffman had protested this statement and cited Canada as one of the countries which might be willing to contribute if the USA contributed and if the proposed fund organization appeared to be effective. Humphrey had replied that he understood Canada would not repeat not contribute. This was one of the reasons for which Hoffman had arranged a meeting with us.

10. We suggested that Mr. Humphrey appeared to have been misinformed and that our position was very much that which had been described by Messrs. Lodge and Hoffman. In fact, Pollock went on to say that when the Canadian reply to a SUNFED questionnaire had been drafted and approved by Cabinet, his department had supported the document with the clear realization that provided the conditions set out in that document were met (in particular those regarding broad support and satisfactory organization) Canada would eventually be asked to consider a contribution to SUNFED from the resources which it could make available for international economic development assistance. Hoffman asked whether on a preliminary and informal basis we could give him some rough quantitative figure of the amount of help which Canada might be able to give to a UN capital development fund in which the USA participated. The USA for its part, and for purposes of asking this question was prepared to suggest that a USA contribution of about 40 percent of the total subscription might be appropriate. The UK, which had already been approached in the same manner as our delegation, had appeared sympathetic to the USA suggestions, but might find it difficult to give any specific answer in the light of their current economic difficulties. The UK government had instructed that no additional UN financial commitments should be made by its delegation. The Netherlands delegation, which has also been approached in the same vein, has stated that its contribution would be based on the percentage contribution which the Netherlands makes to the International Bank and the expanded programme of technical assistance.

11. Hoffman then gave us the following notes entitled "Broad Lines of an Experimental UN Multilateral Development Fund", which run as follows: "1. A fund for basic capital development such as dams, roads, agriculture improvement, etc. 2. Weighted voting along the lines used in the IBRD. 3. Coordination with IBRD, IFC and UNTAB to assure no overlapping, make possible integration of projects and avoid financing projects that could be financed by existing agencies. 4. Sufficient degree of convertibility to assure the multilateral nature of the programme. 5. Provision for denying aid to countries which UN has ruled to be in serious violation of international standards of behaviour."

12. This was the basis on which his delegation was discussing possible USA participation. We did not volunteer any substantive comments ourselves on this outline beyond suggesting that the first four points were ones which you had taken into consideration in preparing our own reply to the Ad Hoc Committee's questionnaire on SUNFED. They were the kind of principles which we were willing to consider. The fifth provision we suggested would be particularly difficult to spell out in a statute and will involve comparison for example, between the international standards of behaviour as viewed by the UN in such different cases as the South African race relations issue and the aggression of Communist China in North Korea. Presumably, however, assistance would be made available through any proposed UN fund in line with current UN practice to "members of the UN and of its specialized agencies". We would gather that the fifth provision has been very hurriedly drafted without much consideration being given to its general political significance. Doubtless, however, the USA would expect some type of assurance concerning the political conditions on which contributions were made to the fund and assistance provided by the fund, similar to those which we now have for the expanded programme of technical assistance.

13. The USA delegation realized that considerations of parliamentary procedure and financial accountability would make formal decisions concerning a possible scale of contributions difficult for governments, even on the very broad lines for a UN fund set out in their five points. Hoffman does however hope that the Canadian authorities could give an estimate of the general size and conditions of a possible Canadian contribution which might be recommended to ministers for a UN fund. We noted that in the past our practice had been to relate the size of our contribution in one way or other to that which was made by the USA and other major contributors. We also noted that in reaching such decisions, Canada has in the past also weighed the general political factors both national and international involved in deciding on the appropriate burden it could assume in international financial undertakings and the benefits to Canadian interests.

14. On this understanding, we agreed to ask you for as early an estimate as possible on the nature, size and conditions of a Canadian contribution to a UN capital aid fund based on the premises which the USA has roughly drafted. We intend, when your comments are received, to refer again to the Canadian reply to the SUNFED questionnaire and to suggest that the various statements which Canadian representatives had made on this subject be drawn to Mr. Humphrey's attention. In general, we believe that the USA delegation is endeavouring with some success to produce a change in the USA position on SUNFED. We believe that this approach should be encouraged and we hope you will be able to provide us with a statement of the Canadian position in the near future.

15. In the meantime, it is unfortunate that we must approach the current SUNFED debate which may well begin by the middle of next week without any way of publicly holding out hope for a change in the USA position. We are, however, encouraged by this recent development to proceed with the drafting of a compromise resolution along the lines of the commentary and your telegram E83 of January 17 and hope to be able to join with other

delegations, including the USA delegation in persuading underdeveloped countries that it is in their own interest to avoid a final clash on SUNFED at this session.

361. DEA/11423-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly, to Secretary of State for External Affairs

TELEGRAM 411 New York, January 30, 1957

CONFIDENTIAL. IMPORTANT.

Reference: Closing para of our Tel 342 Jan 24.†
Repeat Washington, London, Paris, NATO Paris (Information).

SUNFED

The following countries were represented at the meeting anticipated in paragraph 4 of our telegram under reference which was called by the USA delegation: Germany, Sweden, Denmark, Norway, NZ, Japan, Belgium, Netherlands, Switzerland, Italy, France and the UK (Australia was asked but was unable to be present).

2. Hoffman, referring to his general approach to this subject with which you are familiar, began the meeting by emphasizing that it had been called largely on his own personal responsibility. He drew attention to the backing which his ideas have had from Lodge. Hoffman mentioned, however, the concern which Secretary of the Treasury Humphrey has expressed recently at the size of the USA budget. When the USA referred to the necessity for a reduction in defence expenditure before any fresh international economic aid commitments were accepted, this was not Hoffman said, "mere conversation". Hoffman himself had nevertheless become convinced of the possible value of a multilateral economic aid fund under the UN.

3. Hoffman mentioned the difficulties which he and Lodge have faced in Washington in answering the question "what countries besides the USA would contribute to a UN capital aid fund"? We do not need to repeat Hoffman's supporting argument which was similar to that which he had used at the informal meeting reported in our telegram 270 of January 19. Hoffman did, however, emphasize the dangers involved in establishing a UN capital aid fund. It was possible he suggested that an unsuccessful attempt to administer such a fund would have disruptive rather than helpful consequences for the UN.

5. After describing the conditions on which the USA would insist before participating in a UN fund, Hoffman expressed the hope, as a basis for discussion, of an eventual USA contribution of 40 to 50 percent of the total received from all governments. He suggested that an experimental fund might be set up with $100 million. He seemed less confident at this meeting than on earlier occasions, and even referred to an early change in the USA government's position as "unlikely".

6. The French delegation then put forward its solution to the SUNFED deadlock at this session. (Hoffman had emphasized that the USA would remain strongly opposed to any statute drafting exercise and that no change in the USA position would in any case be possible before the end of the 11th General Assembly). The French delegation was considering the possibility that the Secretary General together with the regional economic com-

missions might be asked to prepare a draft programme of projects which SUNFED might undertake. He anticipated Secretariat examination of these projects together with a study by the Ad Hoc Committee on SUNFED of the type of assistance required to meet these projects.

7. Hoffman replied that he thought there had been too much confused thinking about SUNFED and that even if there was only a little money to distribute discussion of UN capital aid might cease to be theoretical. Like ourselves the USA is, of course, opposed to any survey of needs or any preparation of projects in advance of a general decision to make additional economic aid funds available.

8. The Netherlands delegation was grateful to the USA delegation for its initiative and viewed it "positively". However, the Netherlands was committed to the present SUNFED concept and would find it difficult "to shift" and believed that whatever was done would have to be acceptable to the receiving countries. The Netherlands was in general agreement with the draft USA basic principles (which a USA representative admitted were not "tactful") but thought that there would be some difficulty about weighted voting and considered that $200 to $250 million would be required even for an experimental exercise. Mr. Hoffman commented that he thought it would be difficult to raise $100 million, and that it was most unlikely that a USA contribution of more than $50 million could be anticipated. He expressed the hope for a more definite response from Netherlands.

9. The UK delegate referred with some asperity to the difficulties of other countries in adjusting to rapid changes of USA policy and said he hoped the same situation as that which had arisen concerning the IFC would not occur again. The UK hoped that if the USA did decide to make a contribution it would do so on definite conditions and that if these conditions were not implemented would withdraw.

10. The Belgian representative thought that a new capital aid fund need not necessarily be entirely within the UN framework. He foresaw difficulties however, if it were to be established on a limited basis. This limitation would have to be functional or regional which could create serious difficulties for the underdeveloped countries. He thought that whether the fund started with $100 million or $250 million it would still be an experiment with the probability that governments would find themselves committed for the future whether the experiment was successful or not. He also asked how the fund could be replenished.

11. In reply Hoffman referred to the early estimates of $29 billion as needed from the USA for the Marshall Plan and of the eventual contribution of $13 billion. He also referred to the multiplier effect which even the relatively small UN fund could have in promoting local expenditure on economic development.

12. The German representative spoke on the respect in which Mr. Hoffman was held in Germany and said that he would recommend a response from the government of the Federal Republic of Germany in the hope that new forms of UN economic aid activity would result. He referred to the possibility of duplication between any proposed fund and existing agencies to which the USA delegation replied that a number of agencies could frequently participate usefully in large projects.

13. The Italian representative thought that if an experiment were successful contributors would be expected to participate indefinitely, and if the experiment were a failure it would be said that this had been caused by too modest a beginning. In reply Hoffman referred to the success of the UN technical assistance programmes and also to the fact that governments were unlikely ever to channel any major part of their economic aid resources

through the UN. He suggested that even if the project were a success not more than $300 or $400 million would be available for use through UN channels.

14. As the meeting ended Senator Croll complimented Mr. Hoffman on his Marshall Plan record and remarked that there were even greater difficulties facing UN capital aid programmes to the underdeveloped countries than those which had been encountered in providing assistance to Western Europe. Senator Croll said that Mr. Hoffman's proposal would be referred to the Canadian government for consideration.

15. The USA delegation tells us that Hoffman's earlier ideas for a Marshall Plan approach to UN programmes of assistance to underdeveloped countries have been "placed in cold storage" in Washington. Neither Hoffman nor his staff are optimistic about their chances for securing a change in USA policy on the basis of this most recent approach but hope that their efforts together with the recommendations of the various USA committees now discussing USA economy aid generally will at least cause a reassessment of the USA position. We are sending by bag copies of the speech which Hoffman made in the Second Committee on January 30 which certainly did not suggest any early change in USA policies.

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362. DEA/11423-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly, to Secretary of State for External Affairs

TELEGRAM 454 New York, February 1, 1957

CONFIDENTIAL. IMPORTANT.
Reference: Your Tel E83 Jan 17.
Repeat London, Washington, Paris, NATO Paris (Information).

SUNFED

Our immediately following telegram† contains the text of an Afro-Asian, Latin American thirty-nine sponsor joint resolution [A/C.2/L.315] which replaces the two separate resolutions contained in documents A/C.2/L.296 and L.300. You will note that the Ad Hoc Committee would be asked to prepare a draft statute and also to consider further steps for the early commencement of the operations of SUNFED.

2. In his statement on January 30, copies by bag, Hoffman, after referring to current world tensions, stated that "The USA is not prepared to assume a long term commitment to make resources available to a new global development fund". He continued "The USA delegation has consistently taken a position that to attempt, at the present time, to define the organization of such a fund in any precise manner is premature. In our view the time to undertake this task will have arrived when the creation of an international development fund becomes a practical possibility". Hoffman referred to the likelihood of disillusionment if an attempt were made to draft statutes and said that his delegation would vote against the resolutions in documents L.296 and L.300 and we are told the new joint text. Moreover, he added "under existing circumstances the USA will not be able to participate in drafting the statutes of the proposed fund should this resolution be adopted". The phrase "under existing circumstances" was added at the last minute at the urging of the State Department which feared that a completely unqualified statement implying the intention of

the USA to withdraw from the Ad Hoc Committee if that body were asked to draft statutes was not desirable.

3. Hoffman went on to say, however, that "we are prepared to give the closest consideration to any suggestions which delegations may have regarding the possibility of additional preparatory work by the Ad Hoc Committee". Hoffman concluded by stressing the important assistance being made available to the economic development of the underdeveloped countries both inside and outside the UN, and stated "for our part we shall continue to give this the very high priority which it deserves and we shall continue our search for new and possibly more effective ways appropriate to existing circumstances of assisting underdeveloped countries in the future".

4. Also, on January 30 the French delegation, in a surprise move, announced its support for the drafting of statutes and went on to make what many delegates took as a pledge of the equivalent of fifteen million dollars for SUNFED, calculated apparently on the basis of France's UN assessment. After the meeting we asked our French colleagues for clarification of this offer and will forward to you copies of the French statement when it is available. In the meantime we were told that this statement had been made with full Paris clearance and without, evidently, any prior discussion with the USA or the UK. The French delegation appears, therefore, to have committed itself to the position of the underdeveloped countries on this issue. It is possible that this decision is related to the approaching debate on Algeria. Our Netherlands colleague asked the French delegation whether the French contribution would still be forthcoming if the proposed SUNFED attached special priority to the implementation of projects in Egypt and was given a Gallic shrug as an answer. This action which follows assurances in the past that France would not participate in a statute drafting exercise without the USA and UK will certainly make it difficult to hold the line on statutes.

5. The USSR delegate on January 31, approved an Indian suggestion that the fund could begin with as little as one hundred million dollars, supported the establishment of the fund "at once" and thought contributions should be made in cash or in equipment.

6. We are preparing a brief contribution to this debate which may end on Tuesday or Wednesday of next week. Our intervention would consist largely of a paraphrase of the opening paragraphs of the Canadian reply to the Ad Hoc questionnaire on SUNFED and of the paragraphs in the instructions together with an argument on general grounds against the desirability of drafting statutes now.

7. A number of other delegations including Mexico, Denmark, Argentina, Japan, Brazil, Ireland, Italy and Turkey have suggested enlarging the terms of reference of the Ad Hoc Committee as an alternative to the drafting of statutes and under present circumstances we are happy for the time being to let other delegation take the initiative on the basis of the text we have prepared.

8. We redrafted our tentative compromise resolution as suggested in your E83 of January 17 and gave copies ten days ago to the USA and UK delegations only with a request for comments. The UK has told us that they will be largely guided by the USA in this matter and that our draft presented no real difficulty. The USA has suggested two minor amendments with which Washington believes the draft would have "possibilities". The first is to omit the reference in operative paragraph one to "including some of the major potential contributors". The argument is that this language would "point the finger". Secondly the USA suggests omitting item three of operative paragraph two and expanding item two to read "the main points of difference between these alternative patterns and the implications of these differences". Our original language, it is suggested, would require representatives

on the Ad Hoc Committee to favour some of the various alternatives. After consultation we accepted these amendments and have shown our draft to our Danish colleague who had expressed a willingness to put something like it forward. We will probably encourage our Danish colleague to act as the sponsor of a draft resolution, which might be submitted early next week. Some members of the Afro-Asian group and the Latin American group are already beginning to have second thoughts about a statute drafting exercise without the USA and UK and in due course the voices of moderation may increase in number and volume. There is however some impatience on economic aid subjects at this session of the General Assembly as a consequence of the difficult political debates, and until now a majority of the underdeveloped countries seem willing to face a showdown on this issue.

9. It is difficult to anticipate exactly the type of resolution which will emerge from these discussions. It is probable, however, that we will eventually have to vote on language which in one way or another calls for the drafting of statutes. We are, of course, quite clear from your telegram E83 of January 17 and from the commentary that we cannot support a resolution to this effect. Conditions may change somewhat before the Committee takes up resolutions but we believe that only the USA, the UK and Australia would definitely vote against a resolution calling for the drafting of statutes. Belgium, Italy, Ireland and perhaps NZ would probably abstain. The present NZ position is that while NZ considers that it would be a mistake to draft statutes, the underdeveloped countries would doubtless take a decision to do so on the basis of what they consider to be their own interests. If they decided to draft statutes and if no other alternative draft resolution is available NZ would abstain. There might also be some abstentions from the Scandinavians but there would be a certain Afro-Asian, Latin American, Communist and European majority.

10. Perhaps a vote of this kind can be avoided. We are certainly doing our part to prevent it but we may need your instructions on short notice. Although in the past our position has been more forthcoming than the USA we would, in the light of recent developments, propose to vote with that delegation on this item unless we hear from you to the contrary or unless there are changes of position particularly by the UK and Australia, in which case we would contemplate the desirability of abstaining rather than join the USA in an isolated stand. Abstention would be difficult to justify, however, when there are such strong general grounds for opposing the drafting of statutes particularly if the USA and UK do not participate. As we propose to say in our statement it would be difficult to prepare any useful statutes at all when there has been no agreement as yet concerning the principles on which statutes would have to be based.

11. We have also been asked informally whether Canada would withdraw from the Ad Hoc Committee if the USA and the UK withdrew. We have replied that we would hope this situation would not arise and were prepared to cooperate in preventing it. We have said that we would regard USA participation in any proposed UN capital aid fund as essential. We have also said that you have not commented on this hypothetical question and that we believe you would prefer not to do so in the present situation.

363. DEA/11423-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to United Nations General Assembly

TELEGRAM E-185 Ottawa, February 5, 1957

CONFIDENTIAL. IMPORTANT.

Reference: Your Tel 270 of Jan 19.

Repeat Washington (Important), London, Paris, NATO Paris (Routine) (Information).

By Bag Geneva.

SUNFED

In your telegram under reference you asked for information concerning the nature size and conditions of a possible Canadian contribution to a United Nations capital aid fund which could be given to Hoffman of the US delegation. We take it from your messages concerning your conversation with Hoffman that he wishes to have this information in order to back up his efforts to persuade the authorities in Washington to adopt a more sympathetic attitude toward the SUNFED proposals and in particular to counter the arguments advanced by the US Treasury that the United States would be the only substantial contributor to the fund.

2. You will appreciate that particularly in the light of the present US position it is not possible for us to foresee or speculate on the nature of a decision concerning a Canadian contribution to a United Nations capital aid fund which Cabinet may decide to take. We also consider that the time and circumstances are not opportune for asking Cabinet to give further consideration to the question of Canadian support for the fund. In the circumstances we consider you should reply to Mr. Hoffman by referring to the opening paragraphs of the Canadian reply to the SUNFED questionnaire, and in particular the paragraphs which read as follows:

"The Canadian government has in the past supported a special fund in principle but has opposed its immediate establishment. The Canadian government's final decision regarding a fund of the type now under consideration would depend in large measure on whether it was satisfied that the organizational and administrative arrangements were such as to lead to efficient operation and that the fund would command sufficient support to enable it to operate effectively.

"In replying to the present questionnaire the Canadian government has attempted merely to set out certain principles which in its opinion should be taken into account if a special fund is established and in preparatory work which is undertaken working towards the eventual establishment of a fund."

3. You should then go on to say to Hoffman that the time is not ripe for formal consideration of a contribution to SUNFED and that consideration could not be expected to be given to this matter for the next 6 or 8 months. If however the United States were to announce its willingness to participate in a multilateral fund for the financing of economic development, Canada would consider within the time limits mentioned above the desirability of making a contribution.

364. DEA/11423-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly, to Secretary of State for External Affairs

TELEGRAM 635 New York, February 20, 1957

RESTRICTED. IMMEDIATE.

DRAFT RESOLUTION ON SUNFED

This telegram contains the text of a compromise resolution on SUNFED which has been negotiated by the underdeveloped countries with the USA and other delegations and which may come to a vote this afternoon (February 20) but will certainly be considered on February 21. The USA accepts this present text as do other Western delegations and we propose to vote for it. We have discussed the instructions to the Ad Hoc Committee which it contains with the Secretariat and believe that useful consideration of the SUNFED proposal could take place on the lines suggested.

2. It is proposed that the Ad Hoc Committee on SUNFED meet immediately after the conclusion of the General Assembly to decide on a programme of work, assuming that this resolution is passed.[66] The Committee would then recess perhaps until after the 23rd Session of ECOSOC to allow the Secretariat to prepare appropriate drafts.

3. The text which follows is still to be submitted to the entire group of 39 sponsors of the "statute" resolution. If this group does not accept the compromise text we will be back where we were before. We expect, however, now that the process of negotiating towards a compromise text has begun, that in the final analysis a resolution acceptable to both the USA and ourselves, and the less developed countries, will emerge. Text begins: Economic Development of Underdeveloped Countries: Question of the Establishment of a Special UN Fund for Economic Development. Draft resolution.

The General Assembly, Convinced that an expanded flow of capital to underdeveloped countries, by contributing toward the growth of their economies, would serve the cause of peace and help toward the attainment of greater prosperity in all countries, Mindful of the growing desire for increased action by the UN in the field of financing economic development, especially for the financing of nonself-liquidating projects, Recalling that the establishment of such a special fund has been under close study by the General Assembly for a number of years, starting with its Resolution 520(vi) and that various special committees and experts have submitted their views on the question, Having examined the interim report submitted to the twenty-second Session of the Economic and Social Council by the Ad Hoc Committee set up by the General Assembly in pursuance of its Resolution 923(x), Taking note of Resolution 619 A(xxii) of the Economic and Social Council which expressed the hope that, at its Eleventh Session, the General Assembly will consider what further steps may help to promote the early establishment of a special fund for economic development, Noting the strong views expressed by many member states that the establishment of a special fund should not be further delayed, Recognizing, however, that a number of other States, have stipulated certain conditions which must be met before they could be prepared to participate in such a fund,

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[66] Note marginale :/Marginal note:
Hudon is consulting Plumptre. [W.F. Stone]

1. Commends the Ad Hoc Committee for the work it has accomplished in preparing the interim report;

2. Renews the hope expressed in Resolution 822(ix) that a special UN fund for economic development be established as soon as practicable;

3. Requests the Ad Hoc Committee, on the basis of the views expressed by governments in their replies to the questionnaire annexed to Resolution 923(x), the previous resolutions of the General Assembly and of the Economic and Social Council relating to the establishment of a special fund, the reports of previous special committees and groups of experts, and the suggestions made during the Twenty-second Session of the Economic and Social Council and the Eleventh Session of the General Assembly; (a) to set forth the different forms of legal framework on which a fund may be established; (b) to indicate the types of projects which might be financed by a UN economic development fund; (c) to submit to the Twenty-fourth Session of the Economic and Social Council, along with the final report requested by the General Assembly in its Resolution 923(x), a supplementary report prepared in accordance with instructions (a) and (b) above;

4. Authorizes the Ad Hoc Committee, for the purposes outlined in para 3, to invite governments which have submitted views to the Ad Hoc Committee, to reappraise these views in the light of the comments submitted by other governments where such reappraisal might assist towards reducing the number of alternative patterns that the Ad Hoc Committee would need to take into account in its supplementary report;

5. Further authorizes the Ad Hoc Committee to append to its final report any related suggestion or proposals for the provision of economic assistance to underdeveloped countries under the auspices of the UN which governments may wish to put forward;

6. Requests the Economic and Social Council to forward to the Twelfth Session of the General Assembly the final and supplementary reports of the Ad Hoc Committee, together with any recommendations on further steps which could help promote the early establishment of an international economic development fund within the framework of the UN;

7. Invites member governments and the Secretary General to provide the Ad Hoc Committee with all necessary assistance.[67]

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[67] Note marginale :/Marginal note:

> I told Hadwen it was agreed here that a resolution of this kind, supported by the U.S., could be supported.
>
> It seems that the Ad hoc committee will not be reporting to the 23rd Session of ECOSOC next April, but to the 24th session in July. The SUNFED item may therefore come off the agenda of the 23rd session. W.F. S[tone]

Pour obtenir le texte final de la résolution 1030(XI) sur le SUNFED, adoptée à l'unanimité par l'Assemblée générale le 26 février 1957, voir Nations Unies, *Documents officiels de l'Assemblée générale, onzième session, Supplément N° 17 (A/3572)*, pp. 13-14.

For the final text of the resolution on SUNFED 1030(XI), which the General Assembly adopted unanimously on February 26, 1957, see United Nations, *Official Records of the General Assembly, Eleventh Session, Supplement No. 17 (A/3572)*, p. 13.

365. DEA/11423-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 1315 New York, May 27, 1957

CONFIDENTIAL

Repeat Washington, London, Paris, NATO Paris (Information).

AD HOC COMMITTEE ON SUNFED

In a welter of political confusion created by a series of uninformed Soviet reservations to the report, the Ad Hoc Committee on SUNFED at long last completed its work on Wednesday, May 22. We are forwarding to Ottawa two copies of the minutes of the thirty three meetings of the Committee which were held beginning March 11/57 and May 22, together with copies of the sections of the supplement to the final report which will now be edited for presentation to the 24th Session of ECOSOC and the Twelfth General Assembly. The edited version is expected within a week and will contain, in addition to a few substantive changes in the introduction, a long footnote in which the Soviet and other delegations reserved their positions on some of the views (for example on membership) analyzed in the report. Together with our USA, UK and French colleagues we prepared some additional sentences for this footnote emphasizing that the Committee was not asked or expected by the General Assembly to comment on the substance of views expressed by governments or experts.

2. Although Mr. Plumptre, Mr. Hudon and Mr. Stone are familiar with the way in which this Committee has been working we consider it desirable to emphasize the length, frequency and intensity of the meetings which have been held. The political pressures in the UN concerning SUNFED are so great that every word in the final report was, as the minutes will show, disputed at length. Some delegations endeavoured to make the Committee's work closer to something in the nature of a statute-drafting exercise but as the report also shows they were prevented from so doing.

3. It seems clear that UN consideration of the SUNFED proposal has reached a point of no return if its flight is continued along the routes established by previous ECOSOC and General Assembly sessions. The SUNFED concept, considered as a large-scale general purpose economic development fund directly under the auspices of the UN, has been analyzed to a faretheewell. No delegation with whom we have spoken can envisage any further resolution in ECOSOC or the General Assembly calling for continued study of SUNFED. There may be those who consider that this latest report by the Ad Hoc Committee serves no useful purpose. We believe, however, that in the light of the effort which has been put into the current text (for which the USA delegation deserves a major part of the credit), the work of the Committee has been useful. It will be possible to document the argument of those delegations which believe that without USA and UK support, (and there appears to be no possibility of a change in USA and UK views), a SUNFED of the kind discussed in this document is not practicable.

4. In preparation for the 24th Session of ECOSOC it will be necessary to consider in what terms this report is to be discussed. It will certainly not be possible for a resolution which merely "takes note". It seems almost certain in the light of the participation by the

Egyptian and USSR representatives in the Committee that either one of these delegations will propose a resolution calling the drafting of statutes for SUNFED. Such a resolution would certainly be opposed by the USA the UK and by ourselves. The history of the International Commodity Trade Commission has, however, served to demonstrate to a number of delegations, particularly those from Latin America, that UN bodies without the USA and the UK cannot be expected to function successfully. It will be difficult, however, for many under-developed countries to refrain from supporting a proposal to draft statutes for SUNFED, a dream to which they have been so firmly committed for so long. In this situation any reasonable alternative will be generally welcomed.

5. Because of the volume of the discussions held in the Ad Hoc Committee we do not propose to prepare a detailed analysis of the background to the documents which the Committee has produced. However we would be glad to do so on any particular point if you wished. The report does not necessarily have much meaning except as the basis for drafting the statute of a SUNFED. We do not anticipate that in present circumstances Canada would be interested in such an exercise.

[R.A.] MACKAY

SUBDIVISION VI/SUB-SECTION VI

ÉVALUATION
ASSESSMENT

Note de la rédaction
Editorial Note

La délégation canadienne n'a pas rédigé son évaluation ordinaire de la 11^{e} Assemblée générale. À l'interne, le ministère des Affaires extérieures s'est servi du Chapitre 1 (Examen général) de sa publication annuelle *Le Canada et les Nations Unies, 1956-1957*, Ottawa : Imprimeur de la Reine, 1957, pp. 1-5. Le commentaire suivant sur le rôle des Nations Unies, rédigé par John Holmes, présente une réflexion franche sur les travaux au cours de l'Assemblée et leur signification au sens large. (Il est possible que ce document ait été révisé le 18 mars avec les commentaires de Pearson, mais on a trouvé qu'une petite partie de ce texte.)

Bien que le document de Holmes semble avoir été préparé à l'origine pour alimenter des discussions au ministère, il a été terminé juste au moment où Robertson faisait parvenir de Londres son troublant télégramme concernant la préoccupation croissante des Britanniques à l'égard des Nations Unies. Par conséquent, les travaux de Holmes et les télégrammes en provenance de Londres et de New York ont constitué la base d'un document préparatoire sur les Nations Unies que Saint-Laurent a apporté avec lui aux Bermudes en vue de sa rencontre avec Macmillan, en mars 1957. Ces quatre documents, qui reflètent assez justement le point de vue du Canada vis-à-vis des Nations Unies au milieu des années 1950, sont reproduits ci-dessous. Le rapport de la rencontre de Saint- Laurent avec Macmillan est reproduit au Chapitre 4.

The Canadian Delegation did not prepare its regular assessment of the 11th General Assembly. For its own internal use, the Department of External Affairs relied on Chapter 1 (General Survey) from its annual publication *Canada and the United Nations, 1956-57*, Ottawa: Queen's Printer, 1957, pp. 1-4. The following comment on the "Role of the United Nations," which was drafted by John Holmes, contains a frank reflection on developments during the Assembly and their broader significance. (This paper may have been revised on

March 18 with contributions from Pearson but only a very short fragment of that text was located.)

Though Holmes' paper appears to have been prepared primarily to generate intra-departmental discussion, it was completed just as Robertson sent his own disturbing telegram to Ottawa from London on growing British concern about the UN. Consequently, Holmes' work and the telegrams from London and New York became the basis of a briefing paper on the UN that St. Laurent took to Bermuda for his March 1957 meeting with Macmillan. These four documents, which reflect fairly fully Canada's view of the United Nations in the mid-1950s, are reprinted below. A report on St. Laurent's visit with Macmillan is reprinted in Chapter 4.

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366. DEA/5475-DW-45-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL. CANADIAN EYES ONLY. [Ottawa], March 16, 1957

FIRST DRAFT

THE ROLE OF THE UNITED NATIONS

So many questions have been raised of late as to the value of the United Nations that it is necessary to consider the work of the Eleventh Session of the Assembly in the light of these criticisms The criticism of the United Nations comes, for the most part, from Europeans, but is widely echoed in Canada. The core of the criticism is the belief that the United Nations is increasingly dominated by a majority of African and Asian countries allied from time to time with the Soviet bloc and Latin America, which is irresponsible in its attitude to international relations, dominated by an irrational hatred of Western countries, and unwilling to pay for the wide-ranging economic measures which it sponsors. It is said that this situation is growing continually more acute, that the crisis was accentuated by the admission of a large number of new members (for which Canada was largely responsible) and that, because of the expected admission of new members from the formerly dependent territories, it will soon be entirely out of hand.

If the situation in the United Nations is as described, then a good case can be made for abandoning it as an instrument of international policy. That there is a considerable element of truth in the charges could hardly be denied. It is important, however, to determine whether this charge is absolutely or only relatively true. In the United Kingdom, to some extent, and in France, to a much greater extent, there are those who believe that this charge is absolutely true and that the only sensible policy is to resign from or boycott the United Nations or ignore it on all important issues. On the other hand, if one considered that these charges are only relatively true, the answer is presumably to try to avert these tendencies by reforming the United Nations Charter or its practices, or by revising national policies and tactics to suit new situations. The reason that it is vitally important to determine the seriousness of the disease is that the logical policy to pursue as a result of the first diagnosis is the one best calculated to make any reform or revision impossible. To be more specific, the policies being advocated and the tactics to some extent practised by the French and to a lesser extent by the British and some other European states in the past Assembly, are those which widen the breaches, intensify the bitterness and solidify a majority antagonistic to the best interests of the West. If the United Nations is to be abandoned, then this doesn't matter. If it is not, then we and our allies must pursue policies which, without sacrificing essential interests, prevent the establishment of a malevolent majority as a more or less permanent feature of the United Nations.

The composition and the voting rules of the United Nations Assembly are certainly not ideal. It is easy enough to portray as absurd an arrangement by which Luxembourg, Laos and the United States have one vote each (and the Soviet Union has three). No government could be run democratically on such lines — although the U.S. Senate has comparable features. What matters, however, is not the theoretical possibilities but the use to which the votes are put in practice. As for the resolutions passed at the Eleventh Session there were many which were futile, some that were silly, and some that were unfair, but it would be hard to prove that any of them were dangerous or extreme. There were many extreme speeches and many irresponsible and malicious draft resolutions, but the resolutions which secured the requisite majority were almost invariably the product of compromise. The picture which has been built up of the Assembly ordering civilized powers to give up their territories or hand over their treasure is based more on an oral impression of the noise than a careful scrutiny of the proceedings. It arises also from an erroneous conception of the Charter and the powers of the Assembly. The Assembly is not a government, and it is less important, therefore, that its voting powers should be based on the same rules as those of a government.

It is undoubtedly embarrassing and to some extent harmful for countries to be censured by a majority vote or to be requested to take steps which they will not take, but one can easily exaggerate the damage that is done. It is regrettable, of course, that certain countries like South Africa, which may well deserve some censure, get more than their fair share of it while worse offenders escape. It is not true, however, that the Western powers are the only ones who suffer. There is a good deal of vigorous criticism of the Communist states, and Asian states have taken a good deal of blame over Kashmir, West New Guinea and certain issues of human rights. Nevertheless there certainly is an anti-colonialist bias which is unjust. For good reason, this rankles, but it should not be seen out of proportion.

A brief glance at the debates and decisions of the Assembly on a few outstanding items in the agenda of the last Assembly hardly seems to warrant a charge that the Assembly behaved dangerously or fanatically:

(1) *Algeria*

Next to the not unrelated matter of the invasion of Egypt, it is the Assembly's "interference" in Algeria which has driven the French to extreme conclusions on the role of the United Nations. This year, however, the Assembly produced a mild, if not banal, resolution on Algeria, which the French accepted and which was approved by all members except the Soviet bloc which abstained. The French very wisely altered their previous tactics and tried to come to terms with the Assembly by sitting in on the debate and participating with moderate and reasonable statements, in which they were able to make their own case more widely known. As a result they heard, in addition to a certain amount of strong criticism of their policy, many tributes by Asian and African countries to the French contribution to civilization. Unfortunately, this sensible approach was almost vitiated by the intervention at the last moment of some "old school" tacticians on the French Delegation. These misguided operators frustrated the sincere efforts of certain Asian countries to produce a compromise resolution, irritated and embarrassed their friends, and forced a series of sharp procedural resolutions which produced, for almost the first time in the Assembly, a clear division between the white and non-white countries. The members of the French Delegation who engineered these manoeuvres, instead of regretting the nature of the vote, seemed inclined to enjoy the triumph. It was the Asian Delegations who expressed anguish at this division and worked hard to produce a compromise resolution which would patch over the wound. In the end this compromise was almost unanimously accepted in Plenary. While neither side was entirely happy, neither side was entirely unhappy with the results. The final resolution in fact served the best purpose which a U.N. Assembly can serve. It allowed members to blow off a certain amount of steam and eventually to compromise, thereby producing an atmosphere most conducive to fruitful negotiations between French and Algerians. The lesson, however, seems clear that the French served their own interests best when they were seeking to be cooperative with the Assembly rather than fighting against it. They have, after all, made in Morocco and Tunisia more drastic concessions than the Assembly even demanded of them when those countries were under discussion, and France has been strengthened rather than weakened thereby.

(2) *Cyprus*

The general satisfaction with the conclusion of the Algerian debate had its effect when Cyprus was subsequently discussed. The British, like the French, had agreed this year to put their case to the Assembly rather than deny its right to take any interest. The debate was far from one-sided and served in fact to expose the fallacy of some of the more extreme positions. Although the Greeks, the Turks and the British insisted that they could not accept any compromise, they were quite happy in the end to accept a harmless resolution produced by Krishna Menon who, in spite of his irritation at British policy over Kashmir in the Security Council, played a moderate and constructive role in this debate. It is interesting to note that at no time during this debate was any serious consideration given to ordering the British out of Cyprus, deciding on Enosis, or presuming to settle the Cyprus question. It is noteworthy also that on this issue as well as on that of Algeria, the Soviet Delegation took no very active part. They made their set speeches about imperialism, but they were not very active either in the Committee or behind the scenes, a negative position which may be attributed to their sensibility about precedents for United Nations intervention in Hungary.

(3) *West New Guinea*

On this other "colonial" issue, the results were somewhat different. A resolution supported by almost all the Asian and African countries as well as some South American countries and the Soviet bloc, secured a majority in Committee but did not secure the requisite two-thirds majority vote in Plenary and therefore lapsed. The reason there was no compromise resolution in this case, like those on Cyprus and Algeria, was that the African-Asian resolution was itself a mild one which simply asked the Dutch and Indonesians to negotiate. The Dutch spoke firmly but moderately and reasonably, and they undoubtedly profited in goodwill from this approach. The Australian intervention, on the other hand, was more provocative and raised more anti-colonial storm than did the Dutch themselves. No decision was taken by the Assembly and therefore no requirement was made of the Dutch to take any action at all. The intervention of the United Nations, therefore, did not, because of the provisions of the Charter, result in any interference with the rights of a Western country. It is doubtful, furthermore, whether the debate which took place fanned the flames of anti-colonialist nationalism any higher than they would be driven through the usual channels. It should not be assumed that these colonial issues would not exist if the United Nations did not.

(4) *Disarmament*

The debate on this subject ended in unanimous agreement on a purely procedural resolution after a somewhat routine discussion. While there is clearly not very much agreement among the Great Powers on the substance of this question, they do agree that although this subject must be considered within the framework of the United Nations, the Assembly is no place for serious discussion. The Russians started off with a propaganda attack, but they subsided quickly and stuck to an understanding reached with the Americans before the debate that there would be no examination of the substance of the subject and it would be referred again to the Sub-Committee. These annual exercises on disarnament cannot be said to advance the cause of disarmament very far, but they don't hinder its progress either and they do keep the subject warm. This year the Assembly proved a useful forum in which to push the Great Powers towards more serious consideration of limiting nuclear tests, a move we assisted. There is much to be said for the practical arrangement by which the responsible powers work on disarmament in private but are subject in the Assembly to pressure and approval by other nations.

(5) *SUNFED*

In the Economic Committee, the underdeveloped countries pressed very hard for the establishment of a United Nations fund for economic development in spite of the opposition of the United States, Canada and the other countries which would have to supply most of the funds. The division on this subject was not clear-cut as the underdeveloped countries were supported by such countries as the Netherlands and France. The pressure put on the wealthier countries over such issues in the Assembly may be considered irresponsible. They are certainly annoying. It is probably better, however, that this fundamental issue of economic aid should be debated in a U.N. body with everyone, including the Russians, forced to speak up than to simmer in press and propaganda. There is, of course, no question of any country having funds legislated out of it by an Assembly majority.

(6) *Trusteeship Questions*

The debate on trusteeship questions again showed the usual regrettable tendencies. Countries which cannot govern themselves criticize the British, French and other administering powers, and the Soviet bloc makes propaganda. This is very hard for conscientious administering powers to take, but it is questionable whether their real interests are affected. Along with the criticism there was also praise, more than usual. During the debate on British Togoland, the United Kingdom received warm praise from all quarters (including a fulsome speech by Krishna Menon) for its policy in West Africa. The French, for almost the first time, made a concession to United Nations sentiment by offering a considerable extension of self-government in French Togoland. Although this concession was criticized as not going far enough, it received a great deal wider support than the French have had in the past in this Committee. It was a concession, furthermore, which, it would seem to us, strengthens rather than weakens the French Union.

The above issues were, of course, not so important as the questions of Hungary and Egypt, which were on the extraordinary agenda. It is primarily for the handling of these issues that the United Nations has been accused of ineffectiveness and double standards of behaviour.

It is not possible yet to pass a final judgment on the actions of the United Nations over the Egyptian crisis. One can expect, however, a fundamental difference in approach to this question on the part of the British and French on the one hand and ourselves on the other. If one assumes that the invasion, if allowed to proceed, would have resulted in the overthrow of Nasser and his replacement by a well-disposed régime, the establishment of international control of the Suez Canal and progress towards a solution of the Palestine question, then one inevitably considers U.N. intervention a mistake and the act of the majority wrong. The Canadian view, however, (and undoubtedly the view of a large number of official and unofficial people in the United Kingdom) is that the invasion could accomplish none of these objects and the sooner it was stopped the better for all concerned, including in particular the British and the French themselves. To us, therefore, the United Nations intervention was a blessing. It could not have been performed by any other agency. Intervention by the other Great Powers on their own would have had disastrous results. Any effective action outside the United Nations would have required collaboration between the U.S.A. and the U.S.S.R., but such collaboration was feasible and acceptable only when diluted within a U.N. majority. For this reason alone, therefore, we should consider the United Nations role to have been essential. Whatever happens now, one grave crisis was overcome by action which could only have taken place within the United Nations. Subsequent efforts to move from pacification to a permanent solution may or may not succeed, but even if they do not, it is not thereby proved that the action of the United Nations in November 1956 was wrong.

The role of the Assembly majority became much more questionable later on when the effort to secure an equitable basis for Israeli withdrawal was the issue. It is undoubtedly a handicap to have an Assembly with a disproportionate number of members committed to a bias. This awkward fact has made it very difficult to achieve a solution and has contributed to a messy and unsatisfactory policy which has not yet got us out of the woods. The situation itself, however, is complicated, and it is unwise to assume that it could be handled with ease if the U.N. could only be ignored. Would we be better off without UNEF or the Secretary-General? Would there be a role in extra-United Nations activities for Canada, Norway and the other lesser powers who alone have played a constructive role in the whole business? The only feasible alternative is the imposition of a solution by the joint action of the United States and the U.S.S.R., and this kind of action has always been a nightmare of the European countries. Such collaboration might be a very good thing, but it is inconceivable at the present time, and furthermore it would raise as many problems as it would solve unless it took place within the United Nations where the interests of all other nations could be watched. Instead of hankering after worse alternatives, it would be more sensible to make the best of the Assembly as it exists, by making the best possible use of U.N. machinery and accepting the world as it now is as a fact to be borne not to be sighed over.

It has frequently been alleged that the Assembly showed a double standard of morality in its attitude towards the U.S.S.R. over Hungary, towards India over Kashmir and towards the United Kingdom, France, and Israel over Egypt. Undoubtedly there is a question of double standards of morality involved, but the issue is confused if we blame the United Nations as a body rather than its members who are recalcitrant. The Assembly in fact showed the same standards towards the U.S.S.R., the United Kingdom, France and Israel. It requested them to get out of Hungary and Egypt respectively. The Russians refused, and the other members complied. It is somewhat undiscriminating to place the blame for this varied response on the U.N. Assembly. There were demands for sanctions against the U.S.S.R. and against Israel from different quarters within the U.N. and the accusation of double standards could be laid against individual delegations for the arguments they used. As yet, however, the Assembly has not taken any action of this kind. Some of the popular confusion on this issue probably arises from a belief that the United Nations sent a force to push the British, French and Israelis out of Egypt but did nothing to get the Russians out of Hungary. U.N.E.F. was, of course, in no sense an army to drive out invaders; it was an instrument to assist in stopping the fighting — an instrument which was not unwelcome to the invaders. If such a force could have played a role in Hungary, the Assembly would have been only too happy to send it.

It is, of course, unfortunate that the United Nations could not save Hungary. It does not necessary follow, however, that, because it could not save Hungary, it should have refused to take steps which it could take to restore peace in the Middle East. This pretty obvious fact has unfortunately been obscured by President Eisenhower's fumbling statements about two wrongs not making a right, in which he befuddled an issue of practical policy with moral values which were not applicable.

To attack the United Nations as an institution for failing to save Hungary is misleading. The attack is based to some extent on the erroneous impression that the African-Asian group refused to condemn Soviet action in Hungary after having denounced the British and French over Egypt. It is true that some members of the group were slow to recognize the nature of Soviet aggression and inclined to suspect a deliberate effort to divert their attention from Egypt — an attitude which is not surprising in the heated circumstances. When it was clear to them, however, what was happening, the great majority denounced Soviet action categorically, and the "hard core Arabs" abstained. All the non-Arab Asians supported the final American resolution on Hungary, except India, and India abstained out of pique because the Americans had refused to join in a slightly milder resolution the Indians had co-sponsored and one which itself offered no comfort at all to the Russians. The Indian position was certainly unsatisfactory in many respects, but it was not pro-Soviet. It is true that Krishna Menon opposed denunciatory resolutions and tried to get the U.N. to promote a negotiated settlement, but it should be borne in mind that he took the same attitude over Egypt. The Indians often used their influence in the African-Asian group to curb those who wanted resolutions which denounced the British and French and demanded extreme actions. The Indians were on the whole consistent in the views which they had insisted on first during the Korean negotiations, that the U.N. should concentrate on bringing the parties together and setting up possibilities for face-saving agreements rather than on condemnation. This policy was, of course, obscured and often nullified by the preposterous behaviour of Krishna Menon.

The reason the U.N. did not save Hungary was that it could not, not that it would not. There is no point in blaming the Charter of the U.N. or the methods of voting in the Assembly or the Security Council for this failure. The fault lies in Soviet policy and the international balance of forces. The world as it exists in reality does not cease to be the same world when it is reflected in the mirror of the United Nations. To alter the Charter to suit our theories of international justice without any recognition of the big, blunt fact of the Red Army would be suicidal. The U.N. did not create the unhappy balance of forces in the world any more than it created anti-colonialism. If we want to solve these problems we have to go to the roots of the problems themselves, not seek to pull down the United Nations as an institution. The United Nations could not as an institution drive the Russians out of Hungary by force and it could not have persuaded any of its members to do so on their own. However, it did what it could. It provided the U.S.S.R. with every reasonable opportunity to reach a negotiated settlement and offered its good offices. If there had been any disposition to find a way out, the U.N. would undoubtedly have been as helpful as it was in Indonesia or Korea, for example. What it was able to do was to mobilize public opinion, to make the nature of Soviet aggression clear to the world, and to put the Russians morally on the spot. It did not thereby clear Budapest, but it served some useful purpose.

The attitude of many uncommitted countries on Hungary was undoubtedly influenced by the debate in the U.N. in a way that it would not have been affected by controversial press reports and private propaganda. Furthermore, there was a notable effect on the position of the Soviet Union in the United Nations. Their great opportunity to lead a powerful anti-colonialist crusade in the wake of the events in Egypt was cut short, and the Soviet

Delegation was undoubtedly embarrassed and inhibited on many issues. The Russians were neither very aggressive nor very effective on such issues as Cyprus and Algeria and, in spite of their habitual disregard of consistency, displayed sensitivity on issues which provided precedents for interfering with national sovereignty. This adverse effect on Soviet prestige is, of course, attributable primarily to the fact of Soviet policy in Hungary itself rather than to the U.N. debate, but the latter intensified the impact. The U.N. may also have had some effect on Soviet policy. It is possible that the original Soviet decision to withdraw from Hungary could be attributed in some part to nervousness about U.N. action, although this could not be proved. The argument that the Russians don't care about international opinion is, of course, not true. They gave every indication of worrying greatly over the international reaction to their actions in Hungary and to have been very reluctant for this reason to do what they eventually did — not on moral grounds but because of the adverse effect on their prestige and therefore their diplomacy. It might be argued, therefore, that although U.N. pressure did not save Hungary it came close to doing so. Certainly its chance of doing so was not helped by those who invaded Egypt at the same time.

Something of the same can be said about Kashmir. The U.N. has not yet solved this question, although it may have prevented a disastrous war in 1948. However, it has had an effect on public opinion. The intransigent position taken by India in the Security Council at the same time as the questions of Hungary and Egypt were on the agenda undoubtedly reduced Indian prestige and influence in the Assembly. It is not necessarily a good thing for the U.N. that Indian influence should be reduced, but it is good that member states should suffer the consequences of their own policies. The Indians, like the Russians, became more cautious about precedents for U.N. intervention and the right of self-determination. It would be too much to say that U.N. disapproval has sufficient influence in Moscow or Delhi to alter policy, but the possibility is not to be ruled out in the long run.

The principal cause of worry over actions of the U.N. Assembly is the belief, frequently expressed, that the West can no longer command a majority and that control of the Assembly has passed into the hands of the "Afro-Asian bloc". It is frequently suggested or implied that this "Afro-Asian bloc", in alliance with the Soviet bloc, dominates the Assembly's actions. There is, of course, an element of truth in these statements, but when this element is exaggerated it leads to erroneous conclusions. It is quite wrong to suggest that the Africans and Asians, with or without the Soviet bloc, dominate the Assembly. If they all vote together they can prevent a vote being passed by the required two-thirds majority. Their power at its strongest, therefore, is a power not to impose but to frustrate. They were not able to secure a two-thirds majority, for example, for their moderate resolution on West New Guinea, a "colonial" issue on which the lines were pretty clearly drawn. It was not, as is often supposed, the Africans, Asians and Communists who forced the Assembly to take action against the British, French and Israelis. Those members were only part of an enormous majority which included Latin American and Scandinavian countries and the United States. What has happened is not that the Africans and Asians now control the Assembly but merely that the Western Great Powers no longer have the easy and automatic domination of the Assembly which they had in the past. It by no means follows that the West is now automatically frustrated in its efforts to secure a two-thirds majority. It is necessary, however, for it to work harder to do so; to make a few concessions and to try a little more earnestly and tactfully to win the support of the uncommitted countries.

The task may become even harder with the accession of new countries like Ghana, Malaya and others which could upset the balance further. It is by no means foreordained, however, that these countries will swell the strength of a hostile bloc, and it is most important that they should not be driven into this position. With proper treatment they can be depended upon to support the West on crucial issues if the Western powers treat them properly and give due consideration to their views. Most prospective new members are countries with anti-colonial biases but also with strong political and cultural ties with Europe and America and sound economic reasons for maintaining those ties. We can assume that these member nations are lost and uncivilized powers whom we must fight and keep in their place; or we can attempt to collaborate with them, bearing in mind that they have strong feelings on anti-colonial issues but are by no means antagonistic to the legitimate interests of their Western friends and patrons.

The fact is that there is no "Afro-Asian bloc". As the Representative of one of the more orthodox Bandung Powers at the United Nations said to a member of the Canadian Delegation, "The Afro Asian bloc does not exist but many European countries are doing their best to create it". These countries themselves are careful to speak of their "group" not their "bloc", and there are few groups within the U.N. which are less united and disciplined. The disunity of the group is a fact which should dispel some of the exaggerated fears of the Europeans. It is a fact, however, in which many of the Asian countries, like members of the Commonwealth, find cause for satisfaction.

For the Western powers, however, to gloat over this disunity and give the impression that it is their determined policy to break up the African-Asian group just as we should like to break up the Soviet bloc is extremely unwise and produces precisely the wrong effect. The Arab-African-Asian group as it now exists is not necessarily a bad thing at all. There is a good deal of evidence that as a group it has exerted a moderating influence on its members. It is true that the association of these countries has given a new sense of power and confidence to nations which were acutely aware of their minority position in the past and which suffered not infrequently from a somewhat arrogant use of their majority in the Assembly by the European countries. With this increased confidence, these countries have become more aggressive on colonial issues but there are hopeful indications as well that they have also become more responsible.

It is wrong to think of the African-Asian group as a conglomeration of angry nations whipped to fury by Krishna Menon. While the Indians have undoubtedly at times stirred the group to anger, they have also led it in the direction of compromise. It is wrong also to think of this group as being dominated by India. India is undoubtedly the most influential single member, but the only countries which follow it at all faithfully are Ceylon, Burma and Indonesia, and even they went their own way on the Hungarian and some other issues at the past Assembly. The Japanese were feeling their way at this Session, but their influence, which was increasingly felt, was in the direction of compromise with the West and away from nationalist extremism. The strength within the group of the neutralists has undoubtedly been weakened by the admission of Japan, the somewhat independent line taken by such new Asian members as Laos, Cambodia, Nepal, the firm stand taken by Burma over Hungary, the flexible attitudes of Morocco, Tunisia, Libya and Lebanon and the more effective diplomacy of the SEATO and Baghdad powers — particularly Iran and Thailand. The patterns within the group continue to shift. On the subject of Israel, Iraq took an extreme "anti-colonial" position but on the subject of Hungary Iraq sided vehemently with the West. These shifting patterns are undoubtedly healthy. Provided groups do not become disciplined blocs they can be a good thing rather than a bad thing for an Assembly which has grown almost out of control. The threat to the Assembly may be the threat of anarchy rather than the threat of bloc voting. In this situation there is a good deal to be said for having fluid and overlapping groups who try to organize their thinking and put forward their view through spokesmen.

The aim of the West, therefore, should be not to fight the African-Asian group and thereby solidify it but to show a friendly interest in its workings, maintain the closest bilateral relations with all its members and make sure that it remains pretty much what it is. If this policy is followed, then the occasions will be few when the group will vote solidly with the Russians and their friends. There are very few members of the group who want to team up with the Communists against the West. When the French frustrated the efforts of the Asians to produce a compromise on Algeria and forced a vote on racial lines, it was the Asian spokesmen who expressed dismay. This sort of thing, from which the West has most to lose, need not happen unless the West accepts the defeatist position that the U.N. is a menace, that the Nations of non-European race are lost souls, and that our only wise course is to defeat and humiliate them on every issue — an attitude which was expressed all too frequently in European delegations. (Attached is a copy of an article in the January 26 issue of *The Economist* which analyses the voting in the so-called "Bandung bloc" on certain important issues).

It is frequently said that although the African-Asian countries are not a solid bloc, nevertheless on colonial issues like the invasion of Egypt, the terms of a settlement with Israel, or the control of the Suez Canal they will all vote together alongside the Soviet bloc. This is probably quite true, but one should not overlook the fact that the Assembly is a political body, not a voting-machine. What is forgotten is that there is negotiation before a vote takes place. Although the Asian-African will, in the end, support Egypt on matters relating to Palestine or Suez or similar issues, they are by no means agreed in their views on Egypt's rights. Many of them have worked hard, and will undoubtedly continue to find compromises and to persuade the Egyptians to accept sensible proposals. They will not willingly vote for extreme resolutions if we collaborate with them in advance to find alternatives. They realize the economic, political and military strength of the Western powers and the futility of trying to impose their will on the West in the United Nations. The West should not and does not have to concede everything to the Africans and Asians to gain their support. If it is firm and reasonable and uses elementary tact in its diplomacy, it can find many allies among the Asians and Africans on even the most difficult colonial issues.

This unhappiness with the present state of the United Nations has inspired a good deal of talk about abandoning the United Nations or acting outside it. This talk is based on a belief that Assembly decisions will be dictated inevitably by a majority in a body in which voting does not correspond to power and responsibility. This belief is justified in principle, but, as is suggested above, there is less evidence than has been assumed that the Assembly does make irresponsible use of its power. This belief is based to some extent also on an unreal and literal conception of the U.N. as a world government. Taking action in the U.N. by no means necessarily means submitting a straight issue to an Assembly vote. It really means conducting one's diplomacy within the framework of the U.N. There are all sorts of ways in which this can be done. During the last session we have seen the value of the U.N. Assembly as a place where responsible people from all interested countries can congregate quickly in formal and informal sessions. Here they work out their resolutions and negotiate for support, acting in and out of the Council Chambers, making use of the Secretary-General and exploiting all the various possibilities presented by this flexible institution. It would have been infinitely more difficult to get out of the mess in which we found ourselves last November if those with power to act had not been gathered together in New York. In such a situation there must be intense diplomatic activity. That this would be more effective outside the U.N. than inside would be hard to prove. It is true that one works in the U.N. under the shadow and threat of a majority which is not necessarily a legitimate one. Nevertheless, the composition of the Assembly does reflect the attitude of countries throughout the world and this attitude is an important factor in international relations at the present time even if it ought not to be the determining factor. With effective diplomacy this majority is not simply based on the counting of delegates' noses. The larger powers, because they are powerful, influence the voting of the smaller powers. During the six weeks before the Israeli withdrawal from Egypt, there was probably a majority in the Assembly which wanted sanctions against Israel. However, the issue was never presented to them for decision. The influence of the U.S. and other countries was sufficient to prevent the Assembly from taking this action. The members recognized the fact of power and the impossibility of taking action without U.S. support. They knew that diplomacy was going on behind the scenes and a solution might be forthcoming which would be more or less satisfactory and which they could not oppose.

This question of whether or not to work within the U.N. has been confused both by the friends and enemies of the U.N. Both have tended to portray the U.N. as a "deus ex machina", a kind of extra-planetary body with a life of its own independent of national states. The enemies see it as a body which interferes intolerably with relations among states on the basis of highly questionable moral principles over which right-thinking nations who should continue to run the world have no influence at all. Supporters of the U.N., on the other hand, tend to regard it as a body on which they can cast their burdens and thereby simplify the problems of national policy. This latter has been the unfortunate implication of many recent American pronouncements, and it has been these announcements which have most justifiably stimulated anti-U.N. feelings among Europeans. The U.S. Administration not only talked foolishly about letting the U.N. determine its policy, but it also tended in crucial moments to act as if it believed this were possible. During the worst days of the Middle East crisis the U.S. displayed almost no initiative in the U.N. It seemed quite unaware of the fact that turning to the U.N. means turning up in New York with some well thought out proposals, negotiating vigorously with other countries in New York and Washington and all over the world, producing plans, schemes and compromises of all kinds. Instead there was a tendency just to sit back and let the majority decide on any proposal which happened to pop up. It was this aspect of American policy rather than the American expression of its intention to act through the U.N. which can be most justly criticized by other countries. Such a policy did, of course, place the onus on Canada and other countries with more flexible policies and a better understanding of the needs of the moment and undoubtedly strengthened the prestige and influence within the U.N. of Canada, the Scandinavian countries, Yugoslavia, Japan, Mexico, Iran and other countries which, although hardly to be described as neutral, nevertheless act with some independence and on the strength of reasonably good relations with the various groups within the U.N. This development is by no means unhealthy for the U.N. but there is, of course, a limit to what can be accomplished by middle and small powers without the backing of the U.S. in particular and of the other Great Powers as well.

Diplomacy and negotiation away from New York and outside the Assembly or the Security Council need not be considered incompatible with or disloyal to the U.N., provided, of course, that it is within the spirit of the Charter and is not conducted on such a scale that it affects the prestige of the international body. If NATO, for instance, were to arrange a settlement of the Cyprus issue, such an action would be carrying out the wishes of the Assembly as expressed in the recent resolution on Cyprus. A settlement of the Algerian question by direct negotiation between Frenchmen and Algerians, with or without the assistance of other countries would be similarly carrying out the wishes expressed by the Assembly on Algeria. No-one expects the Assembly to thrash out the terms of such a settlement, any more than they expect an Assembly Committee to work out the details of a disarmament agreement. It has become fairly clear from the last Session that when issues such as Algeria or Cyprus are brought to the Assembly all the Assembly can do is to give its moral blessing to a settlement, to create the right atmosphere for a settlement or, of course, to put moral pressure on those who refuse to negotiate. In the light of the precedents set, it is not likely to go any further. It cannot impose a settlement. These must be achieved by bargains struck outside the formal meetings.

One important recent example of a settlement reached completely outside the U.N. was the Indo-China Armistice Agreements reached at the Geneva Conference of 1954. Given the desperately unfavourable situation at the time, the Geneva Agreement were undoubtedly a good settlement, or at least a good bargain, and would seem therefore to be valuable evidence for those who believe in by-passing the U.N. Furthermore, one reason that the agreement was reached was that the composition of the Conference was sensible. It included only those who were deeply involved. If the Conference had been set up by the U.N. Assembly, the participants would undoubtedly have included India and perhaps some other countries which are looked upon as interfering busybodies. The Korean Conference on the other hand, which took place simultaneously under U.N. sponsorship, was absurdly composed and failed utterly. It is doubtful, nevertheless, if one should reach any firm conclusions on the basis of this Conference. The Indo-China Conference had to be held outside the U.N. in order to include Communist China. Presumably this necessity is temporary. The addition of a few less influential countries at the conference table would probably not have affected the end result. Krishna Menon appeared in Geneva anyway and was active behind the scenes, not unhelpfully. When the Russians, Chinese, British and French agreed on a settlement, no other important country in the U.N. was likely to object. As for the Korean negotiations, it failed primarily because there was no basis for compromise at the time. The Geneva Conference, furthermore, took place in an international society bolstered by the framework of the U.N. It differed very little from negotiations conducted within the U.N. framework and, if China could have taken part, the same Conference might well have proceeded in exactly the same fashion under U.N. auspices. It followed the pattern of conferences under the sponsorship of the U.N., and it is doubtful if it could have taken place in a world without an international organization and without the habits of association and negotiation developed in the U.N. It is one thing to have an occasional successful conference or diplomatic manoeuvre outside the United Nations from time to time. It is another thing, however, to try to do so in a world without any international organization or one in which the United Nations is a cipher.

The above arguments seem to lead to the following conclusions. The U.N. exists and has existed for ten years, during which time it has struck deep roots in the customs and in the emotions of the nations and peoples of the world. Its mere existence is a fact which cannot be overlooked. We can wish it had never been created but it would serve no useful purpose to do so. Whether we like it or not we must work with and through it. Unless there should be a great catastrophe it is unlikely that any major country, except possibly France, could withdraw from the U.N. If we stick with the U.N., then we should make the best of it. We can try to reform it, if not its Charter at least its practices, and we can and should resist certain trends. However, our influence will be much more effective if we seek not to weaken and denigrate the U.N. but to support, strengthen and develop it. The cynical attitude which has grown up about the U.N. serves only to accentuate the trends which are deplored. The U.N. can become an irresponsible body dominated by irresponsible countries hostile to the West and exploited by the Soviet Union, but it need not become that kind of body. The way for us to prevent such a development is to pursue an active diplomacy within a U.N. framework and to exert far greater efforts than in the past to win the understanding and sympathy of the countries of Asia, Africa, South America and even Eastern Europe. The desire within the French and British Governments to find solutions to their present troubles outside the U.N. is an illusion, because there is no reason to believe they would fare any better. The problems arising from the transformation of empire and the passions aroused thereby are the product of historical processes not the United Nations. The United Nations provides in fact the only framework within which this transformation has a chance of taking place with the most peace and the least pain. The tendency to find the solution to the admitted faults of the U.N. Assembly by frantically rounding up temporary majorities to defeat the Afro-Asians and to look upon the latter as irredeemable enemies can prove disastrous. At worst it could wreck the U.N.; at best it could isolate further within the United Nations, France, the U.K. and Western Europe generally and reduce their strength and prestige. None of these developments is in the Canadian interest and we should use all our influence to persuade the British and French to look on the U.N. with better perspective. One of the most urgent needs of the United Nations is the revival of British and French influence — a view which many Arabs and Asians confessed during the past Assembly. Their behaviour in withdrawing from Egypt did a great deal to improve their position, but they cannot improve it further if their policy is not clearly set in the direction of supporting and working with the United Nations — not blindly, of course, but with the intelligence and discrimination for which they have been noted in the past.

[J.W. HOLMES]

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367. DEA/5475-FA-41-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 499 London, March 18, 1957

SECRET. CANADIAN EYES ONLY. IMPORTANT.
Reference: My Tel 1775 13 Dec.[68]
Repeat Candel New York, Washington, NATO Paris, Paris (for information).

FUTURE OF UN — UK ATTITUDE

We have reported on several previous occasions the reservations about the UN held in the Cabinet and by some officials in the Foreign Office of this country. Among many Conservative Members of Parliament and in corresponding sections of public opinion resentment of the UN has hardened into hostility. We were told last autumn that French and UK ministers had considered circumstances in which they might withdraw from the UN. A Foreign Office official has since told us that there have also been discussions along these lines with a number of other European Foreign Ministers. While the conclusion has apparently been that as things are withdrawal would be impracticable, the continuation of the UN seems to be regarded as a regrettable necessity.

2. Mr. Macmillan is reported to have referred privately to the UN as "this Frankenstein which we have created".

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[68] Voir/See Document 195.

3. As you know, the UK has placed "the future of the UN" as first item on the agenda for the Macmillan-Eisenhower talks in Bermuda. It is also expected to figure in the talks with Mr. St. Laurent.

4. Sir Ivone Kirkpatrick, Permanent Under-Secretary at the Foreign Office until his retirement a few weeks ago, tended to be critical of the UN in virtually all its aspects. We understand that under his impetus and leadership a group of senior officials have been meeting occasionally during recent months to consider the advantages and disadvantages of the world organization and what should be done about it.

5. The conclusions of this study group were that the processes of the organization were calculated almost inevitably to do harm to "European" or "Western" interests in virtually any of the major types of issue with which it might deal.

6. We have had a number of discussions during the past few months with various Foreign Office and CRO officials regarding the UN. In our immediately following telegram† we will summarize some of these conversations and comment on certain aspects of the UK attitude, which seems to us based in part on faulty and inadequate analysis, and to a significant extent coloured by irrational if not entirely surprising emotions. The sweepingly adverse conclusion about the UN, though it can be plausibly argued, is in our view exaggerated, seriously one-sided, and ill-considered from the point of view of UK and European interests.

7. Certainly the UK attitude toward the UN is likely, unless modified, to deepen rather than heal the underlying differences with the USA, which has a very different approach to the UN. It might also be likely, if persisted in, to undermine rather than to rebuild UK prestige among other nations.

8. If, however, through discussions at Bermuda and later, the UK is to be talked out of their negative and adverse attitude toward the UN in general, it will be important for us not only to understand the depth of the underlying attitudes and worries which affect UK thinking on this subject, but also to appreciate such legitimate grounds as there are for UK and European concern. We should also consider what constructive measures may be available to lessen this concern, and to improve the practical working of the organization in the interests of Britain and Europe as well as other areas.

9. In our telegram 1775 13 December we reported and analysed as sympathetically as we could a number of aspects of the unfavourable UK assessment. One notable feature was concern at what the Foreign Office calls a built-in double standard, as evidenced in the UN's contrasting attitudes and efficacy regarding the Middle East, Kashmir and Hungary. The Foreign Office also considers, not without some justification, that on virtually any colonial issue the operation of the UN is bound to prove detrimental.

10. Again, the UK has been concerned at what it considers a dangerous tendency on the part of the USA in recent months to abdicate policy formation and leadership to the UN, and under Lodge's influence to sacrifice many other considerations to the search for a two-thirds majority at almost any price. (There is, of course, something in both these complaints.)

11. Above all, the Foreign Office analysis is based on the view that as a result of its expanded membership the West is no longer able to expect a two-thirds majority in the General Assembly for any significant and reasonable proposals. Not only the dangerous ambiguity of the formulae for UNEF's role and other aspects of the UN's Middle East activities, but also the "anodyne compromises" on Algiers and Cyprus are cited as evidence of the ineffectiveness of the Assembly. Meanwhile the very processes of Assembly debate exacerbate passions.

12. There is, of course, considerable substance in these Foreign Office points, though they hardly seem exhaustive or conclusive enough to support a drastic conclusion that the UN has now ceased to be useful. Indeed the practical recommendations that the Foreign Office has made, as a result of its analysis, may seem somewhat of a non-sequitur. We understand that there has been a considerable mellowing in the Foreign Office attitude toward the UN in the past two months. But a few days ago a meeting of senior officials, chaired by Hoyer Millar (and attended, we understand, by Sir Pierson Dixon) gave approval to a brief on the UN for the Bermuda meeting.

13. The main conclusions of this brief, as it now stands, are in the words of a Foreign Office summary that:

(a) Owing to the unsatisfactory composition of the General Assembly, every effort should be made to deal with international disputes outside that forum, either by means of bilateral negotiations or, where appropriate, through collective security organizations such as NATO, SEATO, and the Baghdad Pact;

(b) If the matter has to go to the UN then it should, wherever possible, be referred to the Security Council rather than to the General Assembly.

14. The Foreign Office brief also suggests, quite sensibly, that in such cases as may be referred to the UN there should be, before any such decision is taken, careful joint consideration between the UK, the USA, and, where appropriate, other Western governments, as to the possible results of any such reference to the UN, and as to the tactics that would be followed.

15. Our enquiries have made it clear that the UK recommendation that where the UN must be used questions should be dealt with in the Security Council rather than the Assembly had not, repeat not, been thought through, thus far at least. The UK preference for the Security Council seems to spring entirely from a rebound against the General Assembly. Specifically, it does not represent any UK desire to seek to arrive at compromises with the Soviet Union. Indeed, as we have reported separately in other connections, the two recent UK studies on the Middle East and the European situations respectively have concluded that it is neither practicable nor desirable to try to arrive at any overall *modus vivendi* with the Russians, either in Europe or the Middle East or both together. While these conclusions differ from those tentatively reached at the departmental level in Ottawa, they are based on careful studies and seem to be firmly held. When we suggested to the Foreign Office the apparent inconsistency between these conclusions and their recommendation regarding the Security Council, the officials concerned have admitted this. The inconsistency springs in part from the fact that different departments of the Foreign Office have been concerned, and though most conclusions have received top level approval they do not seem to have been thoroughly digested or co-ordinated. A more fundamental reason for the inconsistency is however that as suggested in my immediately following telegram the UK analysis regarding the UN springs in significant degree from emotion and pique rather than objective analysis.

17. It is, therefore, quite possible that the UK may not even try to make its new UN policy stick when it comes to the point of dealing with actual cases. We understand, for example, that the Foreign Office has recently considered whether it would be desirable to try to transfer consideration of the Middle East situation (Gaza, the canal or the straits of Akaba) from the Assembly to the Security Council, and that the Foreign Office conclusion is that this would not be desirable under present circumstances, even if it were practicable. One reason seems to be that in the state into which things have got much reliance must be placed on the Secretary-General and that such a transfer of control to the Security Council

would make more difficult the possibility of the Secretary-General taking constructive initiatives to bring about satisfactory solutions. Whether this particular UK conclusion against using the Security Council on the current Middle East problems is wise or not, it does seem to illustrate the inadequacy of the general theoretical considerations regarding the UN which the UK will be putting forward at Bermuda.

[N.A.] ROBERTSON

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368. DEA/5475-DW-45-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Secretary of State for External Affairs

TELEGRAM 904 New York, March 22, 1957

CONFIDENTIAL. CANADIAN EYES ONLY. IMMEDIATE.
Reference: Letter Holmes-Murray Mar 18.

THE ROLE OF THE UN

We have not had too much opportunity to study the draft memorandum of March 16 on this subject but in view of the time factor I thought you might like to have some random comments. We have kept in mind London telegram to you 499 March 18 on the same subject.

2. We agree with the main arguments and conclusions in the memorandum. Our comments might suggest some shift of emphasis. We believe in particular that the UK, France and the small number of European countries who consistently follow them, instead of forsaking the UN should try to recover their position of leadership in the organization. They will not accomplish this by wringing their hands deploringly about the increased voting power of the Afro-Asians. Probably what is required most is an adjustment not only in the policies but in the attitude of these West Europeans as regards UN matters. Before the recent influx of new members the Western Europeans, allied with the USA and the Latin Americans, were able to dominate the General Assembly in almost every field. They controlled the clear majority of votes and for the most part they were concerned with scoring voting victories over the USSR. They were also concerned, of course, with keeping colonial issues from becoming too troublesome. These ends were accomplished without too much difficulty and without requiring any major adjustment of policies at the UN.

3. Not only the influx of new members but the rapidly changing balance of world power, with resulting changes in the policies of the two Great Powers, have produced new patterns in the General Assembly. The shift from cold war to co-existence has tended to break up the voting alliances which formerly followed pro-western policies. The increase in the number of Afro-Asian members has made it more difficult to suppress colonial issues. Western Europeans, particularly colonial powers, have found themselves more and more on the defensive, a position which they heartily dislike because it is such a reversal from their previous role at the Assembly.

4. All this was particularly true at the Eleventh Session. The situation was made much more acute because of the Middle East crisis. The Anglo-French action, taken outside the UN and indeed in complete disregard of allies and close associates, shattered the pro-

western faction and provided the Afro-Asians with an easy opportunity for dominating the Assembly. They were the best organized, or perhaps the least disorganized, group at the Eleventh Session. This factor helped to produce what we regard as the myth of the invincible blocking third.

5.We agree entirely with what the departmental memorandum has to say about the lack of cohesion among the Afro-Asians. Many of them have insisted that they should not be referred to as a group or a bloc. Some of them have complained about the methods used by their Afro-Asian colleagues to dominate the group and to create false impressions about its attitude on many issues. There was evidence at the Eleventh Session that there were strongly opposing factions and more than one attempt to control the majority through the use of more selective Afro-Asian meetings (not unlike the old Commonwealth gatherings).

6. In addition, it is worth remembering that the Eleventh Session was the first for about a third of the Assembly membership. A lack of experience in UN affairs on the part of the new members undoubtedly contributed to the confused situation in which the Assembly frequently found itself. Many of the new members searched in vain for leadership from older members. The traditional leaders of opinion, the UK, France, Australia and NZ, were more or less in disgrace; the Western Alliance was sharply divided; and the USA, the Scandinavians and Canada were too busy patching cracks and improvising solutions to give much thoughtful advice to the new arrivals. Nevertheless some of the new delegations like those of Japan, Ireland and Tunisia, gave a good account of themselves. It would not be unrealistic to suggest that with experience many of the new members will be better able to provide the kind of balance which is necessary if the Assembly is to make a useful contribution to international relations. By the same token the Eleventh Session should not be regarded as the shape of things to come.

7. The memorandum speaks about the "element of truth" in the charges that the Assembly is dominated by an irresponsible and implacably hostile Afro-Asian group, which is willing to exact the maximum benefit from the UN without sharing in the obligations and especially the financial burdens. Viewed from the point of view of the Western Europeans and particularly the Colonial powers, these charges have foundation but only in a relative sense. Surely it is not "irresponsible" for countries like India and Indonesia to act in support of colonial peoples pressing for self-government. It would be a betrayal of their national tradition for the Indian and Indonesian governments to act otherwise. Nor was it "irresponsible" for Iraq, on the Middle East issue, to be more Arab than the Egyptians for Iraq has its own problems vis-à-vis the Arab world. What Western representatives really mean when they charge that the Afro-Asians are behaving "irresponsibly" is that the Afro-Asians, following the path of self-interest, have ceased to support or have weakened their support for Western policies. This tendency was all too apparent at the Eleventh Session as the departmental analysis of the Middle East and Hungarian debates reveals. In this regard the memorandum leans a little too far in the direction of Anglo-French disillusionment with the UN and does not give enough recognition to the fundamental fact that national self-interest is the strongest motivating force in the UN as elsewhere.

8. It is just this national self-interest which operates against any consistent system of bloc voting in the Assembly. Even at the Eleventh Session when the Afro-Asians appeared to have the upper hand, there was evidence of a growing realization among the group that group decisions could frequently clash with national interest. The Indians for example, were opposed to the Afro-Asian draft resolution containing sanctions probably because they realized that if non-compliance with UN resolutions should be the basis for sanctions, India might conceivably be faced with them on some future occasion. In the economic field the Afro-Asians demonstrated their awareness that their economic well-being was ulti-

mately more dependent on the West than on the USSR. Even in the field of human rights, where the Afro-Asians have traditionally behaved "irresponsibly", there was some realization that extravagant claims might some day rebound.

9. A similar process has been taking place among the Latin Americans who in the past have been regarded as a solid voting bloc. At the Eleventh Session (as at the Tenth) there were frequent divisions in the Latin American vote. These occurred because a growing number of the Latin Americans have shown a desire to pursue not group but national policy at the UN. In our view some Latin American States, like Brazil, Colombia, Argentina and Peru, have at recent Assemblies shown a disposition to be more responsible and more reliable members of the UN than some of their European counterparts whose "responsibility" was unquestioned in the past.

10. The trend in the Latin American group away from group policies and group tactics is encouraging. It is a process that is likely to develop more rapidly in the so-called Afro-Asian group. The breakup of these large groups would ultimately benefit the UN because it would put a premium on the effective promotion of sound policy rather than on sentimental group action. In these circumstances majorities in the Assembly, and consequently recommendations of the Assembly, would be the result of responsible leadership in support of wise policies. The Western Powers are best equipped to deal with this kind of situation. What is needed is a determination to win Assembly support, not though the domination of voting blocs but by skillful and wise campaigning both on the Assembly floor and behind the scenes. There is sufficient evidence that this could be done if the Western Powers, whose flexibility in these matters is far greater than that of the Soviet Bloc, could adjust themselves to the new situation and make a concerted effort to meet it.

11. When we consider the "abandonment" of the UN, we are hard-pressed to recognize real alternatives. Presumably if the world powers ceased to pursue international objectives in a world organization, they would try to promote them through regional groups. Temporarily this might give a boost to such organizations as the Bangdung Conference, the Organization of American States, NATO or a closer integration of European States. Clearly, however, in this nuclear age the States of the world could not confine themselves to these regional compartments and there would probably develop a system of liaison among the regional organizations. The real alternative is not to scrap the UN machinery but to make it work more effectively. Whether this can be accomplished within the scope of the existing Charter is perhaps the fundamental question. For the time being the Charter must remain as it is, with the possibility of only minor amendments. Nevertheless there is scope for improving the work of the UN, and particularly the General Assembly, within the existing framework.

12. With all its shortcomings the UN manages to fulfil some of the purposes for which it was established. We may bewail that for eleven years the UN has discussed with practically no progress the question of disarmament, but the very fact that this discussion has taken place represents an improvement over a secretive arms race. The constant communication between the Western Powers and the USSR on this all-important subject is no small safeguard for peace, just as the discussion in the Assembly, however emotional, of colonial issues has operated as a safety valve. This discussion has not brought about any real detriment in the areas affected. The annual sessions of the Assembly may be an exhausting, frustrating and disillusioning experience but after the tumult of debate it can always be said that we have gained something of value out of our association here with other delegations, who with the observers can now be said to represent the whole world. Without this annual

get-together, and even with its irritations, we are bound to conclude that there would be greater misunderstanding, fear and tension in the world than now exists.

[G.R.] MURRAY

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369. DEA/50391-40

Extrait du cahier d'information produit à l'occasion de la rencontre entre MM. Saint-Laurent et Macmillan aux Bermudes

Extract from Briefing Book for the Meeting between Mr. St. Laurent and Mr. Macmillan in Bermuda

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CONFIDENTIAL [Ottawa], March 22, 1957

THE ROLE OF THE UNITED NATIONS

It is expected that Mr. Macmillan will raise the question of United Kingdom dissatisfaction with the United Nations. He will probably argue that recent events have shown that the interests of the Western powers are frustrated in the United Nations by a group of nations hostile to the interests of the West and that it is necessary therefore to reduce the importance of the United Nations in international diplomacy and find solutions outside the United Nations. He might even talk of withdrawal as a last resort. Mr. Macmillan will probably express particular concern over the Eisenhower doctrine of leaving issues for decision by the United Nations.

2. The concern of the U.K. over recent action by the United Nations is understandable, but it appears to be to some extent an emotional reaction rather than a clearly considered analysis of the role of the U.N. as an institution. These views are held even more strongly by the French. It is desirable that the British and French should be persuaded from their present position, which is doing harm to the United Nations and to themselves and gravely reducing Western strength and influence. In discussing the subject with Mr. Macmillan, it might be advisable to admit our own concern over trends in the U.N. and to recognize the unsatisfactory nature of the institution and a good deal of what it does. As a solution we should advise an effort to reform the practices of the U.N. and a vigorous policy within the U.N. rather than a policy of hostility towards it. The basis of our argument might be that the situation in the U.N. is not as black as it has been painted, that the U.N. is here to stay and cannot be ignored, that it is an illusion to look "outside the U.N." for better procedures, and that the tendency on the part of the United Kingdom and other European countries to withdraw from, ignore or deplore the U.N. serves only to increase their own isolation and to encourage the tendencies which we both regret.

3. One difficulty, of course, in discussing the matter with the United Kingdom is that our different attitudes arise to a considerable extent from our different estimates of United Nations action last autumn. If the U.K. still believes that U.N. intervention to force their withdrawal from Egypt was a bad thing for world peace and if we continue to believe that that intervention saved world peace, then it is inevitable that our opinions on the actions of the U.N. Assembly would differ. We might find ourselves closer together, however, on the difficulties arising from the Assembly's dealing with the Israeli withdrawal and its approach to a Middle East settlement. The Canadian argument here might be that the fault lies not so much in the U.N. as an institution as in the weak diplomacy of its members, particularly the United States.

4. If the cynical attitude of the United Kingdom and France towards the U.N. seems to us regrettable, the unreal idealistic conception of it described recently by President Eisenhower is equally regrettable and just as dangerous. It is based on an apparent failure to realize that the United Nations is an association of the nations as they exist and not a body above and beyond the real world with rules of its own and supreme power. Our general views on the U.N. might be listened to more sympathetically by the U.K. if we make clear our dissatisfaction with recent American attitudes to the United Nations.

5. The following are a few of the arguments which might be used with Mr. Macmillan.

(1) The voting position within the Assembly is not as bad in practice as it appears in theory. The so-called "Afro-Asian bloc" is not really a bloc at all, and most of its members have not yet reached the stage where they would wish it to be. There are many sub-groups and cross-currents within the group and the majority of its members are by no means hostile to fundamental Western interests. Most of them are also reluctant to be associated with the Soviet bloc and are unhappy about the way in which the European countries all too frequently push them into that position. There is good evidence that the group has acted just as often as a brake on its more extreme members as it has inspired them to anti-colonial excesses. It is more likely to be a moderating and helpful influence if the European countries cease to treat it with hostility and suspicion and work more willingly with its members. (An analysis of Afro-Asian voting in an article in *The Economist* is attached as an appendix.†)[69]

(2) The United Nations Assembly is not a voting-machine. It is a forum for active diplomacy. Although the Afro-Asians, the Latin Americans and the Soviet bloc may be disposed or obliged to take "anti-colonial positions" in a vote, they can usually be persuaded to collaborate in the securing of compromise proposals in advance of a vote.[70] The power and influence of the larger countries and of those countries which make intelligent use of their influence goes a long way to cancel out the effects of a system by which all states of whatever size have equal votes. The heresy of the U.S. is to say that issues can be left to the U.N. and act as if they believe this to be true. Member states and large powers in particular must conduct a very active diplomacy in the Assembly, not just allow the Assembly to vote on any motion which pops up. U.S. influence in the Assembly was largely responsible for putting off a resolution on sanctions against Israel which a majority of countries wanted. Nevertheless, if they had used their influence more actively still, they might have persuaded the Assembly to adopt resolutions which would have clarified the issues associated with Israeli withdrawal and forestalled the difficulties we now experience.

(3) It is illusory to believe that better solutions to problems can be found outside the U.N., because we cannot recreate the world as it existed before the U.N. was established. Any attempt to solve the problems of the Middle East, whether inside or outside the U.N., would be faced with the same brute facts of Soviet military strength, Arab nationalism, Asian-African anti-colonialism, and the geographical situation of Egypt. The only basis of a settlement of the Suez and Palestine questions outside the U.N. would be either a bilateral deal between the United States and the Soviet Union or a deal between the United States and the Arab countries, neither of which would, we assume, be very attractive to the United Kingdom and France. The other alternative, British and French military intervention in the area, is one which we never thought practical and which even the British would

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[69] Voir/See *The Economist*, "What Hope for UNO?", Volume CLXXXII, Number 5925, pp. 887-888.

[70] Note marginale :/Marginal Note:

Not the Soviet bloc [L.B. Pearson]

presumably now recognize to be no longer practical. The U.N. Assembly, whether we like it or not, does to some extent at least reflect the world as it exists, even though its voting system is not in accordance with the reality of power.

(4) The U.N. need not be looked upon as an institution for preventing diplomacy but rather as an agency for assisting diplomacy with a great many varied and flexible methods at its disposal. Within the U.N. framework, we have in the past produced all kinds of commissions and commissioners, truce teams and observation forces which have helped to stop fighting and prevent wars. Although there are differences of opinion on details, it would surely be agreed that the Secretary-General and UNEF have played important roles in seeking a solution for present crises. Such commissions can be set up outside the framework of the U.N. but we know, as in the case of Indo-China, that they suffer eventually from not being responsible to any effective international body.

(5) The last assembly has illustrated that Assembly action on certain controversial issues is not as frightening as might have been expected. The decision of the U.K. and France to participate in debates on Algeria and Cyprus helped rather than hindered their positions. In both cases, the "defendants" were able to define effectively their own positions and thereby take the wind out of the sails of some of their more extreme opponents. The debates on the whole were moderate and ended in resolutions which did not represent any extensive international infringement on national sovereignty. They produced rather an atmosphere of better understanding which, in the case of Cyprus at least, seems already to have promoted possibilities of agreement. There was no suggestion that the Assembly should itself try to work out the details of settlements and submit them to the vote of the members. The possible role of the U.N. in such questions as these is not to impose the exact terms of a settlement but to urge or inspire negotiations. This may or may not be a good thing, but it is not as dangerous as has been suggested. Within the framework of the U.N. it has always been accepted that there should be negotiations in the corridors, by diplomatic channels and by all sorts of methods in and out of New York. If solutions can be found, therefore, to such problems as Cyprus, Algeria, Palestine and the Suez Canal by these methods, there is no need to antagonize members of the U.N. by asserting that these are taking place outside that body. In most cases this would be no more than the U.N. Assembly has requested the parties to do.

(6) Anti-colonialism was not created by the U.N. It existed in a virulent form in the United States and other countries long before the U.N. existed and it could be argued that it would be more violent if its advocates could not blow off a certain amount of steam and learn some habits of responsibility in the U.N.[71] We recognize fully that it is much harder for the U.K. than for us to bear the taunts of the anti-colonials and to listen to useless advice in the Fourth Committee. Perhaps, however, because we can discuss these matters with the critics more easily, we may have a more objective impression of their true attitude to the U.K. It seems to us that the U.K. has a much better reputation among Asian and African countries for its "colonial" policy than it realizes. The tributes paid to the U.K. during the debate last session on Togoland are evidence of this goodwill. However they may like to criticize, most anti-colonial countries recognize that the Commonwealth provides the best model for the development of colonial territories and it has great prestige among them.

(7) The argument that the U.N. displays double standards needs precise examination. It is not true to say that the Assembly was softer on the Russians over Hungary than it was on

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[71] Note marginale :/Marginal Note:
? [L.B. Pearson]

the British and French over Egypt. It is not true either that the Africans and Asians supported the Russians while they were attacking the British and French. Some of them showed some initial hesitation over Hungary because they were doubtful of the facts and suspected (not without some justification) that the British and French were using Hungary to divert attention from the Middle East. In the end, however, all except the hard-core Arabs denounced the Soviet action in clear terms and told the Russians to withdraw. The difference in standards was displayed not by the Assembly but by the nations which were requested to withdraw. It can be argued, of course, that although the double standard may not be intentional on the part of the Assembly the same effect is achieved by the fact that some nations accept U.N. decisions and some do not. The Charter, however, provides clearly that countries are protected by the veto in the Security Council from being forced to accept decisions against their national interest and in the Assembly by the fact that the Assembly has no power to force any member to take any action. The British and French, furthermore, did not withdraw from Egypt simply because of the high standard of their loyalty to the U.N. They did so because they did not have the support of their major allies and the undivided support of their own people.

(8) The United Kingdom might, because of its suspicion of the Assembly, argue that issues should go back to the Security Council. It can be pointed out to them of course that the question of their invasion of Egypt need not have gone to the Assembly if they had not used their veto in the Security Council. Furthermore, it would be unwise to think that the Security Council would take very different decisions so long as the Soviet Union backs every extreme Arab demand. Nevertheless, there is something to be said for going back to the Security Council where the kind of active diplomacy which is needed within the U.N. is for the time being at least not inhibited by a large and difficult majority.

(9) The troubles with the Assembly during the last Session were to some extent the result of the decline of British and French influence. The Assembly will be a healthier body if the British and French resume an active policy and take the places they were intended by the Charter to fill. On the whole, the restrained and somewhat reticent policy of the U.K. during the last Assembly was wise under the circumstances. They knew they were unpopular, and they avoided provoking those who felt sensitive. It was the view of the Canadian Delegation that by the end of the Assembly the U.K. and to a lesser extent the French had gone a long way to restore their position. Asian and even Arab representatives told us privately that they regretted the decline of British influence and hoped it would be restored. They contrasted favourably British and French response to the U.N. with that of Israel and the Soviet Union. The British cannot of course regain their position in the U.N. if they follow a policy of minimizing its importance. However, they can do so if they use their energies, their imagination, and their diplomatic skill in making the best use of U.N. machinery and cultivating the best possible relations with the Arab-Asian group rather than consolidating it by antagonism. There is good reason to believe that the position of the U.K. as a great power and a strong and respected influence in the world could be re-established very quickly in the U.N. It is not likely to prosper if they sulk in limbo.

(10) In addition to the political aspects of the U.N. it is possible that some reference might be made to the economic and social work of the U.N. and the Specialized Agencies. It has been the view of our Delegations in recent meetings of the Economic and Social Council that the West was in danger of reducing its influence by a lack of imagination in its policies in these bodies. Many Western delegations, and this is perhaps particularly true of the U.K., have tended to adopt a rather unsympathetic schoolmasterish attitude towards the under-developed countries. The latter do put up a great many hare-brained proposals and make impossible demands which cannot be accepted. There is perhaps nothing much

more we can do in the way of sponsoring new international institutions which will channel more air or finance through the U.N., but our position might become more palatable if a little more tact and diplomacy were used and somewhat more understanding shown to countries which are struggling with difficult economic problems and rudimentary administrative services. In the field of human rights, furthermore, our somewhat superior and legalistic attitude might be modified. Whereas most Western countries are concerned with the serious constitutional problems to be considered in subscribing to human rights, we should not assume that the efforts to produce a covenant have the same position in the eyes of all countries. For many of these people it is not as ridiculous as we tend to assume to subscribe to human rights which do not exist at all in their countries. It does not necessarily mean that they are hypocritical, it means in many cases that the progressive elements in the country wish to have these human rights established as goals to which they can aim. Although the work in the Third Committee may seem aimless and purposeless to us, it is for many enthusiasts in the newly self-governing countries the most important work of the United Nations. Cynicism on our part will serve only to drive them towards the Russians.

SECTION B

CONSEIL ÉCONOMIQUE ET SOCIAL
ECONOMIC AND SOCIAL COUNCIL

SUBDIVISION I/SUB-SECTION I

VINGT-ET-UNIÈME SESSION, NEW YORK, 17 AVRIL-4 MAI 1956
TWENTY-FIRST SESSION, NEW YORK, APRIL 17-MAY 4, 1956

370. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT NO. 87-56 Ottawa, April 12, 1956

SECRET

GENERAL INSTRUCTIONS TO THE CANADIAN DELEGATION TO THE 21ST SESSION OF ECOSOC — NEW YORK, APRIL 17-MAY 4, 1956[72]

Canada has this year begun a third term of membership on the Economic and Social Council of the United Nations, having been elected last year to replace Australia. Our earlier terms were from 1946 to 1948 and 1950 to 1952.

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[72] Le Cabinet a approuvé les directives générales le 19 avril 1956. R. A. MacKay a été nommé chef de la délégation. Pour obtenir la liste des principaux membres de la délégation, voir *Yearbook of the United Nations 1956*, New York: Office of Public Information, United Nations, 1957, p. 530.

Cabinet approved the general instructions on April 19, 1956. R.A. MacKay was appointed head of the Delegation. For a list of the principal members of the Delegation, see *Yearbook of the United Nations 1956*, New York: Office of Public Information, United Nations, 1957, p. 530.

2. While ECOSOC has not unexpectedly fallen short of the original hopes for its role in the solution of major international problems, especially in the economic field, we have based our continued support on the conviction that, under United Nations auspices, definite programmes for alleviating the economic conditions of the under-developed countries in particular can be undertaken and effective discussions concerning social inequalities can be held. The United Nations economic assistance programmes have had constructive economic results, and on the social side, world criticism through the medium of the United Nations has not been without influence even on the major powers.

3. Canadian delegations at Council sessions have consistently stressed the necessity for realism in tackling the wide range of existing economic and social problems and for careful selection of projects on a basis of practicability and urgency. We have made a useful contribution towards finding sensible compromises and helping to reduce over-ambitious schemes to manageable proportions. This useful task of preventing the undesirable, combined with our more positive role in the specialized agencies themselves, could, however, give the impression of a negative attitude towards the Council's work, particularly on the part of the under-developed countries in the economic field, and of the anti-colonial powers in the field of human rights.

4. ECOSOC is one of the prime means for promoting co-operation and collaboration among the nations of the free world in economic, social and humanitarian fields. However, with increased participation by the Soviet Bloc in the work of the Specialized Agencies and its bid for the favour of under-developed areas, the Council can no longer be looked upon as a preserve of the Western powers. It can be expected that the concept of competitive co-existence will be carried by the Soviets into the arena of ECOSOC. They will probably no longer resort to unconstructive propaganda, but develop the more factual and cogent attitude initiated last year. Such tactics must be anticipated and countered, and may call for more constructive action taken jointly by Western democracies towards economic and social progress.

5. Canadian policy remains basically unchanged: to improve the relations between under-developed countries and the more industrialized countries of the free world. Very often the objectives of both groups are the same, differing only in means and methods and it is on these that both sides should concentrate. So far, our policy has been adequate on the whole, but circumstances are now different in the U.N. and it may be that our policy may have to be adapted to achieve the same effect. This does not mean that additional expenditure or, on the other hand, that no additional expenditure will be required. Often, for instance, in the field of human rights, embarrassing proposals can be suitably amended if constructive alternatives are suggested at the appropriate moment. It may therefore be necessary for Canadian delegations in the future to take an interest in certain matters at an earlier stage and that an attempt to influence proceedings should be made sooner. In many instances, the problems are theoretical in nature and no expenditure is involved. It cannot be assumed that in these fields influence is necessarily related to financial commitments.

6. The Canadian delegation should accordingly seek opportunities to recommend to the Government how Canada might best achieve our broad objectives in relation to both economic issues and social and human rights matters which may arise in the changed circumstances of future meetings. On proposals which we must vote against but which are close to the hearts of under-developed or anti-colonial countries, the Delegation should also, within the limits of its instructions, show its understanding and sympathy by taking as constructive a part as possible in the debate. The Delegation should continue to urge restraint and compromise on contentious issues and strive to retain the goodwill of countries for whose favour and understanding we are competing, bearing in mind that their

emotional demands cannot be answered simply by logic or the application of the yardstick of practicability. The Delegation should of course keep in mind the necessity of the closest co-ordination with the United States and the United Kingdom, and the financial limitations established by Cabinet on particular issues. This instruction should not be interpreted as authorization to propose or support new expenditures. It is a general guidance to problems as they arise, with the intent that the Delegation's approach be as objective and positive as can be, both to proposals which cost nothing and to those which involve funds. If there are financial implications, the matter should as usual be referred to Ottawa.

7. The Delegation should do what it can to prevent irrelevant and time-consuming propaganda debates. However, should East-West difficulties emerge and the USSR attempt to exploit issues for their propaganda value, the Delegation should not hesitate to make adequate reply in collaboration with other Western Delegations.

8. While a better balance appears to have been struck between ECOSOC on the one hand and the Specialized Agencies on the other, the Delegation should be alert to any indications as to how the present arrangement is working. This vital question of the co-ordination of the activities of the United Nations and the Specialized Agencies as a whole is to be examined at the Council's 22nd Session this summer.

9. A consequence of the admission of new members to the United Nations will be a pressure to enlarge the membership of ECOSOC, and Canada will be expected to accept some responsibility for working out the techniques for this change. While there are economic and administrative disadvantages to an increase in the Council and its Functional Commissions, the reasons for our initiative last year are also valid for ECOSOC — the political advantages and the assumption that the organization would be more effective through being more representative. Increases of some sort moreover appear to be inevitable. We are prepared to support immediate increases of three in the size of each of the 3 Functional Commissions whose membership (15) is now smaller than that of the Council itself (18). We would wish to keep any increase in the Council to the minimum and to maintain a balance between the advanced and under-developed countries. It would be preferable to consider an enlargement of the Council in the wider context of the Charter Review. However, although an expansion of the Functional Commissions would make it possible for some of the new members of the United Nations to participate in ECOSOC's work, they will very probably not be content to delay membership on the Council itself until the results of the Charter Review Conference have been implemented. The question of enlarging the Security Council moreover raises such difficult political issues that there is much to be said for giving way on the question of enlarging ECOSOC at an earlier date, in the hope that other more difficult questions of Charter Review may be postponed. The Delegation should make generally known its sympathetic interest in these increases but should take no initiative beyond attempting to bring the United Kingdom, United States and France closer to our point of view. It should seek further instructions on any specific proposals.

10. At present the Executive Board of the United Nations Childrens' Fund (UNICEF) consists of the 18 members of the Social Commission plus 8 members chosen by direct election. If the Board were divorced from the Social Commission and were made entirely elective, Canada and other major contributors such as Australia and New Zealand would be better able to maintain their seats and more frequent election of other countries seriously interested in UNICEF would make it more responsible and effective. The pressure caused by countries seeking membership on the Social Commission would also be eased by eliminating those which do so as a means of securing or maintaining their representation on UNICEF. Our representations to this end to the United States, France and the

Commonwealth countries have been favourably received. The Delegation should support and possibly co-sponsor this proposal.

13. These are several important questions in the economic field of particular interest to Canada which will not be dealt with by the Council until its 22nd Session this summer. Our policy in regard to one of these, the Special United Nations Fund for Economic Development (SUNFED), is at present under review.

14. Attached as an Annex is a brief review of some aspects of ECOSOC's development.

L.B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Annexe
Annex

SECRET

ECOSOC

At the beginning of Canada's third term on the Economic and Social Council, after three years absence, it may be helpful to re-examine Canadian policy during our earlier terms (1946-1948 — 1950-1952) and to assess the work of the Council since then.

Canadian policy at the San Francisco Conference of 1945 was based on the belief that no international organization for the maintenance of peace and security could be adequate which did not include effective machinery for dealing with the world's major economic and social problems. The Canadian Delegation took an active part in drafting the section of the Charter on economic and social co-operation. Canadian amendments were aimed at increasing the authority and position of ECOSOC and defining its relationship with the Specialized Agencies, in order to strengthen its position as the body charged with co-ordinating the activities of the Agencies. Our early attitude to the Council was that it provided the positive, constructive means of implementing the social, economic and humanitarian purposes and principles of the Charter.

By the end of 1948, when we completed our first term of membership, the spirit of hope and the strength of purpose which underlay our original attitude to the Council had weakened perceptibly in the face of its apparent inability to promote the solution of fundamental problems. Our experience from 1950 to 1951 made it difficult not to become even more skeptical about the importance of the role which ECOSOC was capable of playing in the amelioration of major international problems, particularly in the economic field.

At the fourteenth session in 1952, however, previous programmes and plans were consolidated and a new and encouraging trend was established. There was much less acrimony and fewer exchanges of bitter propaganda between the Communist Bloc and other countries, and while the divergence of views on a number of basic issues has persisted, there has been little acute controversy in the meetings of the Council and its committees, particularly during the nineteenth and twentieth sessions in 1955. The practical work of ECOSOC has correspondingly benefited. However, the agenda of the 21st session provides plenty of opportunity for the Soviet Union to exploit issues for their propaganda value.

The functioning of the Council has been greatly improved as a result of a general review, which was carried out during the past two years, "of the development and co-ordination of the economic, social, and human rights programmes and activities of the United Nations and the Specialized Agencies as a whole". There has been greater concentration upon the attainment of limited objectives and a more practical approach which has significantly reduced the duplication, overlapping and misdirection of effort which the complex organizational structure tends to promote. Much credit is due to the Secretary-General Mr. Hammarskjöld, under whose chairmanship the Council's Administrative Committee on Co-ordination has been playing a useful role. It is to a considerable extent due to his personality and popularity that the Specialized Agencies have shown a greater willingness to co-operate, and a better balance has been struck between the Council and the Agencies. The present arrangement seems to be working well, but caution should be exercised in carrying the process further in the direction of centralized control of the Specialized Agencies. It will be necessary to examine in this light proposals by the United States, which favours centralization under the Council, in which it is in a stronger position than in any one Agency. It should be borne in mind that the Specialized Agencies are in fact autonomous, with separate constitutions and larger memberships than ECOSOC or the United Nations. The role of ECOSOC, as the central and responsible body, is one of co-ordination; while it can make recommendations to the Specialized Agencies, its resolutions can be taken by the Agencies as permissive rather than mandatory. It is however too soon to say whether the present arrangement is the best possible one and our new term will give us an opportunity to determine whether in fact the balance has been adjusted adequately in favour of ECOSOC. While respecting the constitutional position of the Agencies, we should be on guard against their isolationist tendencies and the resultant higher expenditures, and should seek means to improve coordination.

The record of the Council, while not spectacular, shows considerable progress and some worthwhile accomplishments. Among these are its work on refugee questions; the valuable work of some of its Functional Commissions, especially the Commission on Narcotic Drugs, the Social, the Statistical and the Population Commissions; the initiation of steps leading to the creation of UNICEF; its initiative in calling the World Health Conference which led to the establishment of WHO; the formulation of the Universal Declaration of Human Rights and the Genocide Convention; the Expanded Programme of Technical Assistance; the United Nations Korean Reconstruction Agency and the United Nations Relief and Works Agency; the International Finance Corporation and, most recently, the preparatory work towards the establishment of SUNFED; continuing supervision of operational programmes in the above fields, and numerous technical services, studies, surveys and seminars.

It is hard not to be cynical about the many idealistic resolutions, conventions and programmes sponsored by countries which do little or nothing to implement them or to correct social, economic and racial inequities at home. Among their mixed motives, which include sincere idealism, there is sometimes a political intent which is often related to anti-colonialism in both its forms, economic and political. Two examples of this are the draft International Conventions on Human Rights and the "right of self-determination of peoples and nations", both of which moved from the Human Rights Commission through ECOSOC to the Social Committee of the General Assembly. We should be alert to this aspect of ECOSOC as a body where camouflaged political issues are introduced as a more convenient way of obtaining political ends than in the political committees or plenary sessions of the General Assembly. In other words, we should attempt to determine the real nature of the issues involved and endeavour to have them referred to the competent organizations.

Because of its limited membership and the fact that on most issues Western democracies control a bare majority of the votes, ECOSOC has served as a brake on contentious or ill-advised proposals originating in the functional commissions or the General Assembly, where the under-developed or newly independent countries are in the majority. Attempts to keep such items out of the political arena of the Assembly in this way have however resulted in a feeling that ECOSOC is the tool of a minority. Everything possible should be done to dispel such apprehensions, which on occasion have prompted the majority in the General Assembly to bypass the Council by giving directions to the Council's subsidiary organs, the functional commissions. Such a practice, while understandable, is improper and detrimental in that it undermines the competence of one of the main Councils of the United Nations. Without prejudice to the General Assembly's and the Council's legitimate interest, it is however desirable to assign to the Specialized Agencies issues which afford opportunities for political propaganda in ECOSOC and the United Nations, but essentially require technical consideration for their solution (the examination of Forced Labour by ILO is a good example).

There will in all probability be an attempt to redress the balance of votes in the Council in favour of the Asian African and Latin American countries by proposing an increase in membership of the Council. Some justification for this can be found in the increased membership of the United Nations as a whole. It can be expected that the United States and others who, like ourselves, stand to lose by such a change, will be obliged to give away in the end. One proposal, discussed among the Latin-American states, that two councils be established, each of 18 members, to deal separately with economic matters and social matters, is unacceptable and has apparently been dropped. It would mean unnecessary duplication in cost and time and would destroy the essential co-ordination which has been evolved. Experience in the Council has underlined the interdependence of economic and social progress; economic and social problems cannot be effectively treated separately, let alone in two separate councils. A second proposal is that the Council's membership be increased from 18 to 21 or 24. While it would be desirable to consider such a major amendment to the Charter in the wider context of a conference on Charter Review, it is improbable that the new members of the United Nations will be prepared to wait till then. We would do well to take as positive an attitude as possible on an earlier expansion, short of openly initiating such a proposal.

If, as seems certain, there will inevitably be some increase in the membership of ECOSOC, there will be nothing gained in fighting a rear-guard action against it. In this question and others where the undesirable is unavoidable in view of the number of new, underdeveloped or anti-colonial countries, we should determine our position as far in advance as possible and cash in on the goodwill of these countries by supporting their aspirations, without of course overdrawing our account of goodwill with the developed countries close to us.

While an increase in the membership of ECOSOC would require an amendment to the Charter by the General Assembly, the Council is competent to increase the membership of its functional commissions. From the point of view of the new members of the United Nations, this is an urgent matter, since they will not be able to take part in any of ECOSOC's work until at the earliest after the next General Assembly, unless room is made for them on the Functional Commissions by the Council at its forthcoming session. Without taking the initiative ourselves, we should attempt to have the major western powers agree to an immediate expansion by three of each of the three commissions whose present membership (15) is less than that of ECOSOC, (Transport and Communications, Statistical and Population Commissions).

371. DEA/5475-DS-33-40

Rapport final

Final Report

SECRET [New York, n.d.]

ANALYSIS AND SURVEY OF 21ST SESSION OF THE ECONOMIC AND SOCIAL COUNCIL

General

The 21st session of ECOSOC was businesslike and the atmosphere, for the most part, cordial. Basic differences between Communist and non-Communist states nevertheless came to light in the debate on forced labour and on two occasions when the wording of "members of the United Nations and/or of the specialized agencies" in regard to conventions and invitations to conferences was challenged by the USSR as being too restrictive. Behind the scenes, Arab-Israel differences intruded into the consideration of some purely technical questions by the Egyptian and Pakistani delegations. The Yugoslav delegation, partly because of the personality of its delegate, was very active, with the apparent intention of playing a mediating role. This was the first Council meeting attended by the Indonesians, who did not seem too sure of themselves and tended to consult closely with the Soviet delegation. The French delegation, which was headed by political representatives, seemed on the one hand pre-occupied with the vested interests of French specialists and scientific organizations and on the other, with a desire to ingratiate itself with the less developed countries at the expense of other Western delegations.

While Soviet objectives were obscure, it was noted that all Soviet bloc countries emphasized two themes: the possibilities for fruitful trade with less developed countries; and the value of regional economic commissions and interregional cooperation.

In addition to representation by various specialized agencies and non-governmental organizations, observers were present from Australia, Belgium, Chile, Colombia, Haiti, The Philippines, Poland, Venezuela and from three new members of the United Nations, Bulgaria, Hungary and Rumania. The latter three did not fail to find occasion to make statements in plenary session.

The three new members most interested in election to the Functional Commissions all obtained one seat — Austria (Narcotic Drugs), Italy (Human Rights) and Spain (Social Commission). Bulgaria, Rumania and Hungary were also elected respectively to the Transport and Communications Commission, the Statistical Commission and the Narcotic Drugs Commission. The Indonesians, although they applied for many Commissions, did not obtain a seat because of the lack of available Asian seats.

The question of the expansion of ECOSOC and the membership of its Functional Commissions was not raised officially during the session.

Useful ground work was done on three aspects of power production in relation to economic development, namely, water resources, the application to economic development of atomic energy, and other new sources of energy. Although this was the first session in which Canada had participated since 1952, the Canadian Delegation played an active role, particularly on the items dealing with industrial development and the improvement of industrial productivity, with international cooperation on cartography, the United Nations Children's Fund, and international cooperation with respect to water resource development.

In carrying out its general instructions (memorandum to the Cabinet of April 12, 1956) to take as positive a stand as possible, the Delegation was able to develop close contact with the less developed countries and to prove the thesis that a constructive contribution to the work of the Council could be made without necessarily incurring heavy financial commitments. This was facilitated by the inclusion in the Delegation of two specialists in economics and cartography, Dr. O.J. Firestone, Economic Adviser, Department of Trade and Commerce, and Mr. W.H. Miller, Director, Surveys and Mapping Branch, Department of Mines and Technical Surveys. Both in committee (with Dr. Firestone as Rapporteur of the Working Group) and in plenary, the Delegation contributed substantially to the drafting of a resolution on industrialization which was unanimously adopted. A Canadian resolution on cartography, co-sponsored by Ecuador, was also approved unanimously. The Delegation also co-sponsored a resolution, adopted unanimously, on atomic energy as a factor in economic development.

The Council noted favourably the report submitted by the Chairman of the Executive Board of UNICEF and approved unanimously a Canadian resolution (co-sponsored by France) providing for the divorcing of the Executive Board of the Children's Fund from the Social Commission and for the direct election to the Board of all its 26 members, 18 of which had previously sat on the Board by virtue of their membership on the Social Commission.

In the elections to the Functional Commissions of the Council, Canada was re-elected to the Population Commission by a unanimous vote. While we were not standing for election to the Commission on the Status of Women until 1957, Canada was given two write-in votes. Canada is at present a member, in addition to the Population Commission, of the Statistical Commission (second year of term) and the Executive Board of UNICEF.

In its statements, the Canadian Delegation drew special attention to the need for coordination between the specialized agencies and the United Nations and for an increased use of facilities made available through the Expanded Programme of Technical Assistance.

Role of Canadian Delegation

General instructions to the Canadian Delegation at the 21st session of ECOSOC were to continue Canadian policy of endeavouring (1) to improve relations between the less developed countries and the more industrialized countries of the free world. In carrying out this objective the Delegation was instructed (2) to play as practical and constructive a role as possible even on proposals against which it might eventually be necessary for the Delegation to vote. (3) The Delegation was also urged to keep in mind the necessity of close coordination with the United Kingdom and United States Delegations and (4) to keep in mind the financial limitations on Canadian support generally applicable to U.N. programmes. (5) Finally, the Delegation was instructed to avoid propaganda debates but to reply as necessary to the Soviet Delegation if East-West differences emerged.

A survey of the role played by the Canadian Delegation might therefore begin with an analysis of the extent to which it was possible to fulfill each of these basic instructions.

It would not be possible to say that the Canadian Delegation had been able at the 21st session to improve the relations between the less developed countries and the more industrialized countries of the free world very much. These relations remained virtually unchanged. There is considerable lack of sympathy displayed by the less developed countries for the United States position, the U.S. being suspected of having political motives for every practical step which it proposes. The United Kingdom remained under its colonial cloud throughout this session. However, it is fair to say that the Canadian Delegation was at least partly responsible for preventing a worsening in these relations. On several occasions it was possible to suggest compromises which would avoid the necessity of a vote against an unacceptable resolution. There was little difference in substance between the Canadian Delegation's approach to the problems and the positions taken by the United States and the United Kingdom.

There was however, a good deal of difference in the manner in which the Canadian Delegation approached its role, as will be noted later in considering the part played by other delegations. The wisdom of entering into discussion preparatory to the adoption of resolutions on difficult subjects, and even taking part in the preparation of these resolutions instead of waiting until such time as the resolutions came before the plenary session or subsequently appeared in the General Assembly, was most apparent. For example, industrialization will be discussed at the eleventh session of the General Assembly and it will be very much to Canada's advantage to recall the role which we played in the preparation of the resolution on industrialization during the 21st session of ECOSOC. Even on such items as road transport, slavery, forced labour, and most obviously on the enforcement of foreign arbitral awards item, there was something to be said for the explanation of the Canadian constitutional difficulty in dealing with fields which would require legislation solely or partly within the competence of Canadian provincial administration. There is no doubt that Canada's position as a major contributor to the U.N.'s financial resources made the Canadian voice in ECOSOC much more respected than would have been the case if we were not a major financial contributor. But influence in ECOSOC is not measured entirely by cash contributions. There is, after all, no substitute for personal ability or teamwork in a delegation. The United Kingdom Mission in New York has told us that their delegation has reported to London in favourable terms concerning the role which was played by the Canadian Delegation at the 21st session. Judging from this and from comments received from other delegations during and after the completion of the session, the contribution made by the Canadian Delegation was considered constructive and helpful in achieving some positive results even within the limitations imposed by instructions from national governments. For the Western nations these limitations were in most cases quite extreme.

It is fair to say that the Canadian Delegation played a constructive role in the meetings. The Delegation prepared and promoted some resolutions and had some influence on the final preparation of all the items on which the Delegation was prepared to make a positive contribution. However, the Canadian Delegation did not promote compromise merely for the sake of compromise. When conciliation was attempted it was merely as a means of producing a more workable and useful result. This same comment could hardly be made, for example, of the Yugoslav Delegation which sometimes, on questions other than economic, attempted conciliation merely for the sake of conciliation and whose efforts were sometimes, therefore, a little bit purposeless and one could almost say vain.

The Canadian Delegation was able to maintain close and friendly relations throughout the meetings with the United States and the United Kingdom Delegations. In view of the size and experience of these two delegations, it was sometimes surprising that they were not better informed of the feelings of the members of the Council. Canada demonstrated that a measure of independent initiative could in the end bring positive results in line with Western thinking without at the same time prejudicing our relations with the less developed countries. In some instances when common sense and instructions counselled us to do so, Canada took an attitude quite different from that of the United Kingdom and the United States. For example, we were obliged to abstain on the U.S. amendment on UNICEF and attempted to resist, perhaps not very effectively, the patronizing attitude which from time to time the United Kingdom Delegation seem unconsciously to adopt.

So far as financial commitment was concerned, the total financial responsibility which was accepted by ECOSOC and which the Canadian Delegation approved was not large and may be financed almost entirely from existing resources. At the conclusion of the meeting, however, when the financial implications of the actions taken by the Council were discussed, the Canadian Delegation entered a reservation to the effect that countries would not, of course, be prevented from discussing the costs of the U.N. programmes approved at the 21st session in other U.N. bodies.

The Canadian Delegation was one of those whose attitudes made cold war propaganda debates less frequent at this session of ECOSOC than they had been at previous sessions and in other United Nations bodies. The Chinese Delegation found it necessary on several occasions to make provocative statements and the U.S. Delegation did not hesitate to do so on the forced labour and slavery items. No other delegation made speeches of a cold war nature and the USSR Delegation appeared to reply only when attacked. On the question of the wording which is to be used in issuing invitations for U.N. conferences or in determining eligibility for membership in U.N. bodies (members of the United Nations and/or the specialized agencies) there was a sharp exchange during the UNICEF debate in which the Canadian Delegation refused to accept USSR criticism of this wording as restrictive and undesirable.

One of the general preoccupations of the Canadian Delegation was to ensure that where possible opportunities were given to the new members for a constructive role in ECOSOC. Each of the new members who were seriously interested in the functional commissions was elected to one commission. There was not from any delegation support for the idea of enlarging the commissions now 15 members to 18 as an interim measure. Delegations seemed prepared to wait for the general revision of ECOSOC structure which is likely to be made at the General Assembly this fall. The admission of new members, however, produces a personnel problem for delegations in that it is much more difficult to maintain contact with other delegations and, when necessary, to obtain their support now that the number of U.N. members has increased.

U.N. Secretariat

The role played by the U.N. Secretariat was exceptionally valuable on the operational side. The meetings ran very smoothly, the documents and translation services being excellent. Some complaints were made about the 'lateness' of issuance of some ECOSOC documents, with the United Nations Secretariat pleading 'domestic difficulties'. The Secretariat moreover from time to time endeavoured to lead or direct ECOSOC discussions generally unsuccessfully but at some times contrary to the intentions of some delegations. For example, the Secretariat was not always helpful when it came to a resolution of apparent conflict between U.N. agencies and in cases where spheres of responsibilities required delineation.

President and Chairmen

The Chairman, Hans Engen of Norway, proved himself very able, objective and strong. Mr. Said Hasan of Pakistan was a reasonably satisfactory Chairman on the Economic Committee and Dr. José Vicente Trujillo of Ecuador.

Other Delegations

The 21st session contained much more political interest than had been expected and was much more active and useful than anticipated. Perhaps the best way of describing the political interest would be to sketch the role played by the delegations with which the Canadian Delegation was closely concerned during the meetings.

The United States Delegation was unfortunately bound by very rigid instructions vis-à-vis the communist countries. It was instructed not to vote for any communist candidate for any of the Commissions and the U.S. Delegation seemed unwilling to consult beforehand with the USSR or Czechoslovak delegations on any issue. As suggested earlier in this memorandum the U.S. is suspected, even when it puts forward a reasonable and practical suggestion, of having ulterior political motives. In particular, there were signs of irritation between the U.S. Delegation and the Pakistani Delegation. The Latin-American Delegations, however, seemed ready and anxious to follow the U.S. lead, except perhaps in electoral or organizational problems. However, in private discussions Latin-American Delegations appeared to be quite willing to raise questions about the real motives of the United States, particularly in the economic field. The U.S. Delegation also seemed to have rather difficult relations with the U.N. Secretariat. The U.S. and U.K. Delegations, and especially the latter, were both out of favour with the Secretariat. Moreover, it was apparent that the less developed countries tend to put cotton wool in their ears when these delegations speak. Both delegations suffer because the less developed countries believe that they are regarded by the U.S. and U.K. as inferior, and their resentment and suspicion constitutes a formidable barrier which neither the U.S. nor the U.K. Delegations seems really concerned to knock down.

The United Kingdom Delegation seemed very much on the defensive, and further seemed to depend very heavily on positions prepared well in advance. There is something to be said for a delegation brief which is not too rigidly binding. On a number of occasions the U.K., by relatively minor changes in their position, could have avoided being placed in an isolated and invidious stand. For example, and this is a very small point, the U.K. Delegation have apparently been instructed to press for the ECOSOC opening date of July 3 as originally envisaged and to oppose postponement for a week. It quickly became obvious that the majority of delegations would prefer a week's postponement of the opening date of the 22nd session, and the United Kingdom lost some very minor atom of goodwill by sticking to the original date long after it became clear that this date was unacceptable. Both the U.K. and U.S. Delegations seemed to find it difficult to abandon a prepared position even when they knew they would be out-voted, and even when the position was not one of overriding importance, of financial significance or even of major political content. These two delegations just seemed to hold on too long, and when a last-minute change became necessary, to lose much of the goodwill that could have been gained by a more flexible attitude. The U.K. Delegation seemed to get along well with others but faced a good deal of difficulty with the French Delegation.

The USSR Delegation was the worst of all in holding rigidly to positions prepared in advance. Every USSR delegate seemed to be speaking from a prepared text on most occasions. The USSR advance preparation for the meetings was brilliant but, as so frequently happened when the position changed very rapidly, they did not have very much to say. Furthermore, there were only one or two people on the USSR Delegation who were able to discuss and negotiate with other delegation officers. These few were, however, of high calibre and on a number of procedural matters the USSR Delegation made a contribution. But on the whole it was difficult for the USSR to make its presence felt on many issues. Their delegates made a habit of leaving the conference room directly after the conclusion of a meeting and failed thereby to get the benefit of the informal exchanges of view around the meetings which are so helpful. The USSR Delegation was on the whole very reasonable. For example, in the elections it insisted on a geographical proportion of seats but also supported the candidates of the Western countries. Since the session, A.A. Fomin of the USSR Delegation emphasized to members of our Permanent Mission that his country and

Czechoslovakia had been responsible for the election of two Western countries, Ceylon and Belgium, which received only 10 votes in the election to functional commissions and which would not have been elected without USSR support. The USSR Delegation tried to act as a leader of the less developed countries but was not very successful in so doing mainly because its motives continued to be suspect by a number of countries. There were exceptions to this, and they included Indonesia and Egypt. A further reason that the USSR has not so far gained the leadership of the less developed countries is that it apparently cannot give all the aid it hints at giving and the less developed countries know this. Nevertheless the USSR was able to add to the suspicions of Western motives already bothering the less developed countries and was sharp enough to hit two notes in tune with less developed desires: (1) the need for speed and (2) an emphasis on aid through trade. The USSR Delegation, as expected, was prepared to embarrass the developed countries on occasion and to support the idea of increased trade with the less developed countries and of making greater use of regional U.N. institutions.

It is not necessary in this summary to do a separate section on the Czechoslovak Delegation, which acted exactly and entirely as an extension of the USSR Delegation. There were several cases in the Economic Committee of the Czech obviously taking his cue on voting from his Russian colleague.

The members of the Egyptian Delegation were able and active. It endeavoured to play the role of leader of the less developed countries which India would have played had that country been on the Council. In this respect it suffered from competition with the Pakistan Delegation which also wanted to play this same role. The Egyptian Delegation also was anxious to prevent Israel from getting any advantage out of ECOSOC proceedings. The Egyptian Delegation was also over self-consciously less developed and somewhat arrogant in the use of the power which lies in the hands of the less developed countries to influence the positions of the developed countries. For example, the Egyptian Delegation thought that a resolution which was supported by two less developed countries should automatically be considered ahead of a resolution which was not sponsored by the less developed countries no matter what other considerations there might be.

Said Hasan of the Pakistan Delegation made his usual semi-effective contribution. In plenary, however, he promoted a number of ideas which were quite unrealistic. For example, he supported regional training centres and regional studies on river basin development even though his Egyptian colleague was very much opposed to such studies lest they make foreign intervention in Arab-Israeli water disputes more likely.

Except for Brazil the Latin-American Delegations as a whole seemed confused and were relatively ineffective on economic questions. On social questions they tended, however, to be more vocal and effective. Argentina gave evidence of intention to demonstrate that a change of government indicated a change of heart. One of the major preoccupations of the Latin-Americans was to continue the useful work of the Economic Commission for Latin-America and to preserve its *de facto* autonomy.

The Netherlands made its usual effective and helpful contribution. On the economic side, however, while both the Netherlands and Norwegian Delegations made one or two statesmen like contributions, both appeared over-willing to go along with the Secretariat and to placate the less developed countries without a reasonable effort at hard sense. The Norwegian was very stubbornly opposed to the Canadian position on industrialization and continued so even after the Yugoslavs and others had reached a compromise with us.

The Greek Delegation seemed to be determined to side on all issues where the word "colonial" was mentioned with the Afro-Asian bloc against the developed powers, and was even prepared on some occasions to vote with the USSR. The Greeks resented the successful efforts of the United Kingdom to have them replaced on the Human Rights and Narcotic Drugs Commissions. However the fact that Greece was replaced by a new European member took some of the sting out of this development. Greek-United Kingdom relations at the meetings were correct but there was almost no contact that we could see between the two delegations.

The French Delegation seemed to be irresponsible and willing to sacrifice the United Kingdom and the United States in the interests of gaining recognition from the less developed countries. The Canadian and French Delegations got along well together in most instances. The UNICEF resolution, for example, was referred to as a "French Canadian" resolution. The officers of the Permanent Mission, Turpin and Epinat, were faced with real difficulties as the result of the arrival of a large delegation containing political figures from Paris. This delegation seemed preoccupied with all questions of status and tended to be sensitive to any suggestion that France was not being treated as a world power.

The Yugoslav Delegation attempted to fulfill the role of conciliator and mediator particularly between East and West. It played, however, a fairly constructive and reasonable role at the meetings. Its senior members at least were outstanding in ability. It certainly did not behave as a satellite, and one got the impression that from time to time the delegation was taking up a position different from that of the Western delegations and the Soviet delegation merely because it was different, although this may have been due to the desire of the Delegate in the Chair to be heard. The Yugoslavs appeared to be practical as distinct from theoretical communists who are prepared to abandon dogma for efficiency. The Yugoslav effort was somewhat similar to the efforts pursued by the Canadian Delegation; in fact, on procedural points the Yugoslav Delegation was in many cases the most astute delegation in making compromise suggestions which would speed up the business on hand, particularly in the Economic Committee. Perhaps the Canadian contribution was more significant in matters of substance rather than on procedures. On the economic side, it seemed clear that the Yugoslavs have a purpose and are quite effectively making haste slowly towards achieving it; namely, SUNFED. The Yugoslavs on ECOSOC were dynamic and experienced enough to be the spearheads of the less developed countries and wise enough to give the appearance of compromise and reasonableness when they had added as much as they could for the moment to the pressures being developed for their purpose.

The Indonesians seemed to be rather lost, and to look to the USSR Delegation for a lead. In any case they voted the party line ticket frequently. It was remarkable, however, how closely the Indonesians and the Dutch Delegations seemed to work together from time to time. In spite of the fact that the ECOSOC session was held during a period of considerable difficulty in Indonesian - Netherlands relations, this was not in the least obvious at any time during the meeting.

"Under-Developed"

While maintaining its close contacts with the developed countries, the Canadian Delegation made a point of working closely with the less developed countries, who for their part appeared to appreciate these approaches and to seek them. During the meetings the Canadian Delegation was taken with the French translation of "developed" and "underdeveloped" and adopted the phrase "less favoured" (moins favorisé) and "more favoured" as more satisfactory words than "developed" and "under-developed". On second thought, however, we believe the terms "less developed" and "developed" a fairer description and suggest they in future be standard usage, as in this report, rather than "favoured" and "less favoured".

Conclusion

In ECOSOC it is necessary to promote the most reasonable possible solution to the problems which come before the Council. Sometimes, in order to achieve the more important objectives set for the Delegation, it pays to give in on small points that less developed countries feel very strongly about. Compromise should not be sought for compromise sake, but where compromise yields the best results all possible patience and efforts should be exerted to achieve it provided, of course, that such compromises are reconcilable with the instructions given to the Delegation attending the meetings. Another element of importance is flexibility. It was interesting to observe, for example, the extent to which statements made during Council meetings at the 21st session were able to influence the thinking of member delegations. Perhaps one of the reasons was that not many delegations had come to the session with fully prepared briefs with lines of instruction which had been hardened before they could be tested in the light of further information obtainable from the U.N. Secretariat or greater knowledge of the feeling of member delegations on particular issues. A reasonable speech or statement taking account of these two factors made in the plenary or committee meetings appeared on several occasions to have a useful and often moderating effect.

The major issue, non pareil, to emerge from this session is that of making existing and potential resources satisfy the impatience of the less developed countries for economic advance. If we are to come out of this central struggle with our flags still flying we must:

(1) strengthen the confidence of the less developed countries in our sympathy and friendship;

(2) convince them that we appreciate their desire for speedier economic development than that experienced by the West;

(3) convince them at the same time of the need for a realistic assessment of what can be done at any given moment, including a frank and revealing exposition of why it is in reality never possible to fit existing means to *potential needs* at any moment;

(4) continue the effort to make the less developed countries see that a hard-headed and business-like approach to the questions of co-ordination and priorities is to their own best advantage;

(5) continue to search for imaginative and constructive new thoughts, even if only on procedural questions, which might serve to take at least some of the place of the material aid sought by the less developed countries.

SUBDIVISION II/SUB-SECTION II

VINGT-DEUXIÈME SESSION, GENÈVE, 9 JUILLET-10 AOÛT 1956
TWENTY-SECOND SESSION, GENEVA, JULY 9-AUGUST 10, 1956

372. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT NO. 139-56 Ottawa, July 3, 1956

SECRET

GENERAL INSTRUCTIONS TO THE CANADIAN DELEGATION TO THE 22ND SESSION OF ECOSOC — GENEVA, JULY 9 TO AUGUST 10, 1956[73]

General instructions to the Canadian Delegation at the 21st Session of ECOSOC (memorandum approved by Cabinet on April 12, 1956)[74] were to continue Canadian policy of endeavouring (1) to improve relations between the less developed countries and the more industrialized countries of the free world. In carrying out this objective the Delegation was instructed (2) to play as practical and constructive a role as possible even on proposals which it might eventually have to oppose. The Delegation was also (3) urged to keep in mind the necessity of close co-ordination with the United Kingdom and United States Delegations and (4) to keep in mind the financial limitations on Canadian support generally applicable to U.N. programmes. Finally, the Delegation (5) was instructed to avoid propaganda debates but to reply as necessary to the Soviet Delegation if East-West differences emerged.

2. In carrying out these instructions the Delegation was successful in developing close contact with the less developed countries and in proving the thesis that a constructive contribution to the work of the Council can be made without necessarily incurring heavy financial commitments.

3. The 22nd Session of ECOSOC will be a heavy and delicate one. From our participation in the past session, it has become clear that the major issue with which we are faced in the economic and social field is that of making existing and potential resources satisfy the impatience of the less developed countries for economic advance. On the one hand we have to operate within fairly strict constitutional and financial limitations; on the other, we face a developing Soviet bloc campaign to increase communist influence wherever possible and the impatience of less developed countries which in some cases have recently

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[73] La délégation a été menée par P.A. Cardin, adjoint parlementaire du secrétaire d'État aux Affaires extérieures, puis par le représentant permanent R.A. MacKay, à la reprise de la session. Pour obtenir la liste exhaustive des délégués, voir Canada, ministère des Affaires extérieures, *Affaires Extérieures*, vol. 8, n° 9, Septembre 1956, pp. 276-279 et 297.

The delegation was led by P.A. Cardin, Parliamentary Assistant to the Secretary of State for External Affairs, and then R.A. MacKay, the Permanent Representative, for the resumed session. For a full list of delegates, see Canada, Department of External Affairs, *External Affairs*, Vol. 8, No. 9, September 1956, pp. 265-268.

[74] Voir/See Document 370.

become independent and are determined to achieve quick economic and social progress. This central struggle has been taken into account in the detailed guidance on particular items at the end of this memorandum.

4. The Delegation should continue to point out that the reputation of the U.N. and the support which it can command for larger and more vital projects could be damaged out of all proportion if it were to duplicate the work of other organizations or was engaging in activities the value of which was not readily apparent even though the money and number of personnel involved might be very small. The Delegation should not hesitate to point to specific instances of duplication which might arise out of the proposals for extending the activities of the U.N. which are put before the Council. Whenever possible, the various proposals arising from the agenda have been examined in relation to one another rather than each one separately, in order to ensure that the Delegation has an overall picture of the issues before the Council, and also to help it in establishing the relative merits and priorities of the various proposals and in discerning those areas where it might show some flexibility.

5. It is recognized that, even with careful and scrupulous attention to priorities, the activities and responsibilities of the United Nations may be expected to grow somewhat from year to year, and the Delegation should take this into account. It is not possible, from the point of view of finance, administration or personnel, to accept all the proposals, even the worthy and constructive proposals, that are put forward in the Council from many quarters, but carefully calculated concessions, or even initiatives may prove wise, both politically and financially. In this regard the Delegation must use its own discretion, within the guidance laid down in this memorandum, and seek further instructions if important departures seem to be required.

6. As mentioned above, Soviet tactics in relation to less developed countries will be particularly important. In the social field, the Soviet bloc will probably continue to go along with such requests as are made by the less developed countries. For Canada, for constitutional reasons these requests are not easy to handle, but it is clear that mere abstention is inadequate. Whenever possible, the Delegation should explain in detail the Canadian position, even if in the end Canadian participation is unlikely. In such cases it may yet be possible for the Delegation to make a useful contribution on some aspects of the discussion, either in a positive fashion or in advocating the removal or revision of any objectionable features. The Delegation can do much to increase its influence if it is in a position to display appreciation for the problems and the objectives of the countries which are directly concerned. It may well be also that in certain cases constructive alternatives acceptable to Canada can be devised. In this field careful planning may yield interesting dividends and Canada and the other Western countries are in no position to miss any opportunities which may present themselves for protecting and improving their position.

7. In the economic field Soviet representatives follow a more cautious but nonetheless successful course. They manage to give the impression that they understand the problems of the less developed countries, that they have a special contribution to make and that their resources and know-how will be brought to bear to assist. Compared to Western contributions the Soviet effort is much smaller, and yet the communist countries are almost suggesting that they have invented the idea of assistance and that their operations nearly match those of the West. While a cold war contest on this issue is not intended, the Delegation should, if the occasion arises, put things in their true perspective and underline whenever appropriate the creative character of Western economic development methods.

8. Obviously Canadian and Western tactics in coping with the Soviet approach to economic and financial issues will be more effective if they are developed against a background of understanding and friendly relations with the delegations of the less developed countries and particularly if Canada and the West generally can take a positive attitude concerning some of the agenda items in which these countries are more particularly interested. In any case, it is most important that the Soviet bloc should not succeed in its aim of persuading the less developed countries that their interests are better understood and protected by the Soviet bloc, that the Soviet bloc is and will be doing more for them and that the Communist methods are more effective.

9. There is thus no change in policy, but rather a continuation of the policy and tactics followed by the Delegation at the 21st session. Nor is it anticipated that at the 22nd session there will be decisions called for which have heavy financial implications. The following paragraphs deal briefly with some items of a relatively contentious or important nature.

Communist Membership Problems

10. The Delegation should oppose the participation of non-member Communist régimes in U.N. bodies or activities. Should technical grounds be brought forward which warrant special consideration, instructions should be sought from Ottawa.

United Nations Refugee Fund Executive Committee

11. The UNREF Executive Committee, a standing committee of the Council, is composed of 20 elected members. As we have made a sizeable contribution and the meetings could be covered by our delegation in Geneva, we would be very willing, if other members so desired, to serve on the Committee whenever a vacancy occurs. The Delegation has been instructed to mention this in its statement during the debate on the report of the United Nations High Commissioner for Refugees.

Canadian Chairmanship of Co-ordination Committee

12. The Co-ordination Committee is a sessional committee of the Council consisting of representatives of all ECOSOC members. A proposal made by the United States State Department and supported by the United Kingdom Permanent Mission in New York that Dr. G.F. Davidson, Deputy Minister of Welfare and member of the Canadian Delegation, should stand for election to the chairmanship of the Committee appears to be receiving general support. Despite the extra burden it will involve, it was held desirable that we take on this chairmanship, in that it will enable us to play a more active role in influencing the work of this important Committee. It was agreed that Dr. Davidson's name be brought forward in the absence of any other agreed candidate, and the support of all members of ECOSOC has been sought. The United States Delegation will propose, and the Pakistani Delegation will probably second his nomination.

Technical Assistance

13. The Delegation will support a gradual approach towards the creation of a corps of international experts to serve for long periods in the technical assistance field within the present structure and arrangements of the United Nations technical assistance programme. Reference to the desirability of considering the creation of an international technical and professional civil service have been made by the Secretary of State for External Affairs and Mr. Hammarsjköld and others. The Delegation will indicate its continuing support for the present kind of technical assistance programme which has been increasingly proving its value to the under-developed countries and to relations between them and the rest of the world. The Delegation would be in a position to intimate at its discretion that, if an appreciable number of major contributors (other than the U.S.A. which is already well out in

front) indicate between now and the General Assembly their willingness to increase their contributions, it will be prepared to consider recommending to the Canadian Government that its contribution towards the present kind of programme be increased.

Industrialization

14. The less developed countries have been calling for greater emphasis in United Nations Assistance Programmes on industrial development. Following a lengthy debate on this subject at the last Session of ECOSOC, the Secretary-General has proposed that the forthcoming Session authorize some minor staff increases and the employment of consultants so that the Secretariat could produce some studies of problems of industrialization in less developed countries. Although the Secretary-General's proposals involve relatively modest expenditures, his plans are not altogether satisfactory and the Delegation will endeavour to have them altered to avoid duplication of work already being done in this field by other international organizations, including private groups, and to make sure that the work done by the Secretariat will be of practical benefit to the less developed countries.

SUNFED

15. The United States is still withholding its consent to participate in a multilateral United Nations programme to provide capital for assistance to less developed countries through the proposed Special United Nations Fund for Economic Development (SUNFED). The United Kingdom, Australia and New Zealand are holding back as well, although most of the western European countries are favouring the plan. It is doubtful, in these circumstances whether ECOSOC will be able to take any important further steps toward bringing SUNFED into existence at this Session. There is a danger, however, that the less developed countries may try to force the pace at this Session, although it seems certain that the United States will not change its position before the presidential elections next fall. The Delegation has been authorized to state, in any debate on this matter, that the Canadian position remains as described in our answer to a United Nations questionnaire in early May. This reply, which was approved by Cabinet,[75] stated that Canadian participation in SUNFED would depend in large measure on whether the organizational arrangements made for it were such as to lead to efficient operation, and on whether the Fund would command sufficient support for it to operate effectively.[76]

[L.B. PEARSON]

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373. DEA/5475-DS-45-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures[77]

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs[78]

CONFIDENTIAL. CANADIAN EYES ONLY. [Ottawa], October 3, 1956

I attach an interesting analysis of the proceedings and work of the 22nd Session of ECOSOC, which has been prepared by our Delegation. Although the session itself has been rather "disappointing", our Delegation suggests that it may have had salutary effects by inducing more restraint in the debates and more soberness in the minds of the delegations of the less developed countries.

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[75] Voir les documents 353-355./See Documents 353-355.

[76] Le ministre a approuvé ce document le 10 juillet 1956. Il n'a pas été examiné par le Cabinet.
The minister approved this document on July 10, 1956. It was not considered by Cabinet.

[77] Note marginale :/Marginal note:
a very interesting report but not too encouraging. L.B. P[earson]

The most disturbing fact recorded by the Delegation is the lack of "ideas" on the part of the great powers. The failure of the United States and of the United Kingdom to provide the leadership which is generally expected from them is of particular concern to us, even though on this occasion it afforded opportunity for the Canadian Delegation to play a constructive role particularly in the promotion of compromises on several controversial issues.

The Delegation makes the disquieting suggestion that the Great "Western" Powers' attitude may have reflected a fundamental lack of interest in, or support of U.N. activities, at least in the economic and social fields. Whether this is so or not, it would seem desirable to find means of preventing Western leadership from going by default. The U.S.S.R.'s apparent failure to exploit more fully this "power vacuum" may provide the West with a breathing spell in which to examine its position and, possibly, regain the ground it has lost.

The Delegation's conclusion is that "in the absence for the moment of great power leadership and willingness or ability to make further sacrifices for the sake of U.N. programmes", a Middle Power like Canada might be able to seize the initiative. Such a decision, however, as the delegation realizes, would depend on the two following premises:

(a) that we are prepared and able to make greater contributions, financial and otherwise, to U.N. economic and social programmes; and

(b) that we can enlist the active interest and support of the Great "Western" Powers.

We will consider carefully what we can do to fulfil the first of these two conditions but in the meantime it may be desirable to try and impress on the Great "Western" Powers, particularly the U.K. and the U.S., the need for a more liberal assessment of the role of U.N. in economic and social affairs.

Against this background, the possibility that Dr. Davidson may be nominated for the Presidency of ECOSOC for 1957 becomes more important, particularly in view of the good name he has made for himself at the last as well as at earlier sessions of the Council.

It is also of interest to note the Delegation's implied recommendation that future delegations continue to be composed of relatively senior members representing the various departments concerned.

The problem of the financial implications of actions of ECOSOC (pages 8 and 9 of the report) is currently the subject of consultations between this Department and the Department of Finance and new draft instructions for our future ECOSOC delegations will in due course be submitted for your approval.

R.M. M[ACDONNELL]
for Under-Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Extrait d'un rapport de la délégation à la vingt-deuxième session du conseil économique et social

Extract from Report of Delegation to Twenty-Second Session of Economic and Social Council

CONFIDENTIAL. CANADIAN EYES ONLY. [Ottawa], September 25, 1956

GENERAL REPORT ON THE 22ND SESSION OF ECOSOC

The 22nd session of ECOSOC was an unexceptional session. It has been described by our French colleagues as "un tournant", a personalized ECOSOC which did not walk straight ahead but paused, reflected and slightly changed direction.

At the close of the 21st session many delegations expected that the 22nd session would be one of the most important in recent years. Extensive discussions resulting in major long-term decisions were anticipated. In fact, the 22nd session of ECOSOC was subdued. It was overshadowed, for example, by the coming General Assembly at which many important issues, the industrialization study and SUNFED will be the subject of full debate despite prior consideration by ECOSOC. The possibility that the next General Assembly might take new action on old subjects because of the recent additional membership was also in the minds of delegations from the under-developed countries in particular. Furthermore, the United Kingdom placed an unusually heavy emphasis in its statements on the necessity for economy and coordination by ECOSOC and by the General Assembly in approving economic and social programmes. The shadow of the United States elections also had a depressive effect on the 22nd session. The "Forward Look" document, which was expected to produce an analysis and re-direction of the U.N. technical assistance programme, was given only very cursory consideration for this reason.

In spite of these tendencies, or perhaps because of them, the debates in the Council tended to be more realistic and practical at this session than they had on previous occasions. The set speeches in plenary were often of a very high standard although invariably read from prepared texts. There was considerable interest in the problems of coordination which produced the best debate in plenary and an intense and useful discussion in Committee. The Social Committee which was finished first proceeded with unexpected despatch to unanimous and reasonable decisions on almost all the problems before it. The Economic Committee, though under a most inept Chairman, accomplished some useful work and did not produce any major disputes between the developed and the under-developed countries although a division on SUNFED was avoided only with great difficulty. The Technical Assistance Committee accomplished more than any other committee in the form of improvements in the existing U.N. machinery for promoting economic development.

The proceedings suggested that the discussion of economic and social issues in the U.N. in the past has resulted in a better appreciation of the practical and financial limits of U.N. programmes on the part of some delegations, even from the under-developed countries, and on balance it is probable that the soberness of the 22nd session may come to be regarded as its most successful attribute. There was, in addition, much less futile argument over procedure than has been the case at previous sessions and there were certainly fewer East-West propaganda exchanges, members being prepared to deal with the subjects before them in a forthright fashion.

Politics

Political considerations, as usual, pervaded all the actions of the Council. In general, however, the Council's proceedings were not characterized by cold war attitudes as in previous U.N. debates, but represented a more civilized struggle in which the communist countries appeared determined to woo rather than to bludgeon their way to success. On only one occasion was there a real old time propaganda exchange, and that on the subject of the Poznan riots to which the United States referred in unnecessarily provocative terms, thereby stimulating communist replies in kind. On a few other items, there were brief exchanges such as the decision of the Secretary-General to decline a contribution to the technical assistance programme from East Germany, and again on the last day when there was a final U.S.-U.S.S.R. flair up caused by the circulation of a U.S. Note regretting the closing of the Office of the High Commissioner for Refugees in Shanghai due to communist Chinese pressure. On the whole these were mild in substance and subdued in delivery. Aside from its routine, and this time quite brief, speech on the representation of China, the USSR delegate did not even formally raise such issues as the membership of Outer Mongolia in ECAFE (which had caused great difficulty at the Tokyo meetings of ECAFE), or the membership of East Germany in E.C.E., when the reports of the regional commissions were considered. This was all the more surprising since the Council passed resolutions providing for increased status for Japan and West Germany in ECAFE and ECLA respectively.

The Suez issue, which erupted with dramatic suddenness midway during the session of the Council tended therefore to overshadow cold war issues. It was raised by the United Kingdom incidentally to the debate on the flow of private capital. The French strongly supported the British position, the Dutch, the Norwegians and Canadians giving some aid and comfort. The U.S. Delegation, which was without instructions until the last minute and was then told to "go cautiously", also gave some support. The Western Powers made an unsuccessful effort to restrict discussion to the effects of Egypt's action on world confidence and on the flow of international private capital. The Egyptian Representative, however, insisted on dealing with the legal and political aspects of the issue, but on the whole his interventions were in relatively temperate language compared to the statements emanating from Cairo. The subsequent relations between the Egyptian and French and U.K. delegations remained correct but strained. The last day of the session was marred, however, by a satirical speech by the French delegate concerning the Suez issue to which the Egyptians replied bitterly referring to French and U.K. actions as "leading to war".

A few other political issues gave rise to brief exchanges. The Greek Delegation on several occasions mentioned the Cyprus issue in the Social Committee, and even addressed some questions on the subject to the United Kingdom Delegation. That delegation replied briefly to these proddings, but would not be drawn into a political debate and the Greek Delegation seemed content merely to have stated its case. The Indonesian and Netherlands Delegations had a brief dispute over how the U.N. should refer to Netherlands New Guinea, both sides stating their position for the record but without much bitterness. There was little opportunity for the Arab-Israel question to come to the fore, nor did any major Indo-Pakistan differences emerge. Pakistan was, however, hesitant to support moves for increasing the scope and authority of the regional commissions and it has been suggested that this may be caused by supposed Indian influence in ECAFE. An interesting though minor political sidelight developed out of the narcotics debate on Afghanistan's request to produce opium for export. Pakistan and Iran strongly opposed this action by the U.N., but the USSR, which made sympathetic noises, nevertheless took no overt action in support of Afghanistan's claim.

The President's reported comment that this had been "perhaps the most harmonious session in the Economic and Social Council's ten year history" may have been an unduly flattering summary. Certainly all was not sweetness and light, but it would appear doubtful whether political exchanges seriously hindered the work of the Council at the 22nd session.

The Canadian Catalytic Contribution

Against this background the Canadian Delegation played one of the most active roles of any of the delegations. Broadly speaking, the delegation's role, as defined by its instructions, was that of holding a watching brief. On matters of substance, it had little scope for taking initiative since there were few issues of major immediate short run interest to Canada. However, there were numerous occasions when a practical or compromise solution seemed to be needed and when such a solution had the best chance of success if it came from a delegation which had no real quarrels with anybody. On several items the delegation found itself in the position of an "honest broker" whose function it was to reconcile opposing views. The delegation was more effective in this respect because of its relatively senior composition representing various departments concerned which made it possible to adapt the brief to unexpected circumstances.

Of particular interest was the relative bankruptcy of ideas on the part of the great powers. The Chinese Delegation, which for ECOSOC purposes is still regarded as one of the "greats", made little positive contribution to the meetings. The French Delegation rode some private hobby horses but seemed to wander irrationally amongst the forest of resolutions, here and there chopping down a tree without any particular reason or apparent general purpose except that of maintaining its position as representing one of the great powers. The United Kingdom contribution was negative, partly, but only partly, on financial grounds, and at times seemed politically unwise. The U.S. Delegation on occasion took the initiative and on almost every subject had a draft resolution under the desk which it sometimes endeavoured to unload on other delegations. For domestic as well as external political reasons, however, its initiatives were restricted to relatively inconsequential suggestions. Some of its proposals were not only unhelpful but even misguided, such as the idea that the Secretary-General might circulate the members of the U.N. for an indication of the fields in which they would welcome private capital investment. In the Economic Committee the U.S. representatives had little to contribute and in the Social Committee their interventions were uninspired. In the Coordination Committee while in some cases they put forward instructive ideas, their record was on the whole disappointing, involving too many minor resolutions. One field in which the U.S. Delegation made a constructive and, in the final analysis, politically successful contribution was in the Technical Assistance Committee. A sincere desire to defend the programme and to improve it (admittedly in one case so that it would not be so vulnerable to Congressional attack), resulted in some worthwhile resolutions for which the U.S. Representatives on this Committee were to a considerable extent personally responsible.

The general lack of constructive leadership by the Great "Western" Powers may have been based on a fundamental lack of interest in, or support for, U.N. activities. They seemed to be continually on the defensive and unable or unwilling to regard ECOSOC as providing opportunities for participation in developing U.N. programmes. From their point of view it is considered to be a body which must be prevented from doing more damage and incurring more expense than absolutely necessary. This point of view was most clearly shown in some of the U.K. interventions, which however qualified, left an impression of reluctance to support greater U.N. activity in the economic and social fields. Some U.K.

speeches tended to be abrupt and ill-prepared by advance consultation and in consequence frequently caused resentment. A possible explanation of U.S. and U.K. diffidence in the Council is that a number of delegations seemed to lie in wait for both countries. The Indonesians and the Egyptians, seemed highly suspicious of U.K. and U.S. motives in general. The Pakistani representatives who were generally pro-Western also seemed ready upon occasion to speak critically of the U.S., particularly in the SUNFED discussion.

In this situation it is strange that the USSR did not endeavour to profit from the "power vacuum" in ECOSOC. The USSR Delegation did not seem to have firm instructions based on an understanding of the problems before ECOSOC which would enable it to take very definite positions on controversial problems even when it was of advantage to do so. Few of the Russians spoke English or French which further hampered their delegation. One felt, indeed, that the USSR was represented by a "third" team.

The Canadian Delegation therefore found itself from time to time pushed into a limelight which it neither sought nor wished. For example, the Canadian Representative introduced a ten-power compromise resolution on SUNFED largely because the resolution was too strong to be introduced by the U.S. and too weak to be introduced by anybody else. In some respects our position at the 22nd session as at the 21st session was similar to that of Yugoslavia, although at opposite ends of the political spectrum. A Canadian function is often to water down the extremists at the blue end of the spectrum — and the U.K. and U.S. certainly took some extremely negative positions at this session, whereas the Yugoslav problem was that of watering down the extremists at the red end of the spectrum, — not a particularly difficult task at this session since the communist representatives were relatively quiescent. Canada even co-sponsored with Yugoslavia, that well-known supporter of the democratic freedoms, a series of amendments to a human rights resolution in an effort to break a deadlock. For a variety of reasons this precedent is unlikely to be the fore-runner of many joint Canada-Yugoslavia approaches to ECOSOC problems.

The major contribution of the Canadian Delegation was thus made towards the increased effectiveness of ECOSOC in general, rather than in any specific field. Our chairmanship of the Co-ordination Committee, brought credit to the delegation. The delegation also chaired a working group on the food reserve item and acted as a liaison between groups of delegations working out other resolutions in both the economic and in the social fields (e.g. on SUNFED). The delegation cooperated closely with the U.S. and the U.K. and was successful occasionally in protecting those delegations from immoderate Council action, and even, as in the case of the U.S. and a resolution on human rights, from their own immoderate action. The delegation differed with the U.S., on the food reserve item and opposed the U.K. plans for changing the function of the Coordination Committee.

However, the delegation was authorized to bring forward some useful proposals. It introduced a resolution on the TAC providing for a study of the possibility of long-term contracts for experts as part of the technical assistance programme. The Secretary-General's suggestion, however, that an International Civil Service be established in the public administration field, (which was related in some respect to Mr. Pearson's ideas), did not get very much support at the meeting. The delegation itself did not comment either for or against the Secretary-General's ideas. Other delegations did, the U.K., U.S., Netherlands, Indonesia, Yugoslavia and France appeared to oppose the idea partly on the grounds that U.N. activity of this kind might be resented by the ex-colonies as well as by the colonial powers as a reflection on their administrative capacities. There seemed to be a reaction against what some misconstrued as a new and unwelcome type of U.N. imperialism. The Pakistan Delegation was the only one which commented at all favourably on the possibility of an international civil service as envisaged by the Secretary-General.

The Canadian Delegation also mentioned in a speech in Committee the desirability of considering some action in the future on "the clearing house" concept, to which Mr. Pearson has referred, but decided to defer any positive suggestion until soundings had been taken as to whether the major countries now providing bilateral aid would be willing to support U.N. activity in coordinating information on such programmes.

When the conference reached the concluding stages, Canada voted for all the resolutions except in two cases when it abstained. An abstention was registered on a resolution providing for an increase in expenditure for technical assistance in the public administrations field largely because the expenditures involved were planned under the U.N. headquarters budget instead of under the Expanded Programme of Technical Assistance. The other abstention referred to a resolution involving additions to the strength of the U.N. statistical office where our objection was to the form in which the financial provision for the extra costs were made. In both cases, however, the delegation supported the general principles involved, objecting mainly to the manner in which they were being implemented. This record results from considerable delegation activity in order to ensure that the resolutions finally put to vote were acceptable to the Canadian authorities.

Other Delegations (not elsewhere discussed)

There was no open split at the meetings between the developed and under-developed countries. Members of the Council seemed to approach the problems coming before it increasingly in a sense of partnership rather than separate groups of haves and have nots. The under-developed countries, particularly Pakistan, and even Indonesia and Egypt, in spite of their suspicions of the U.S. and the U.K., seemed frequently willing to act with restraint. The Yugoslav Delegation, for example, promoted a standby resolution on SUNFED in the interests of helping to preserve a possibility of U.S. participation. The Egyptian Delegation created difficulties on the SUNFED resolutions but made a helpful intervention during the currency utilization debate in the TAC.

There was considerable emphasis on the part of the delegations from under-developed countries on the importance of commodity price stabilization since, as the Secretary-General stated in beginning the debate on the world economic situation, a fairly minor fall in the prices of new materials could undo all the good that was done by foreign economic aid. No delegation specifically opposed the bilateral concept of economic aid. Indeed both Pakistan and Indonesian representatives spoke favourably of bilateral programmes in the TAC. It may well be that the serious difficulties which arose in connection with utilization of some local currency contributions to the technical assistance programme may lead some delegations to look with greater favour on bilateral programmes. The U.S. delegation commented privately that under no circumstances would their country participate in a SUNFED programme which would have anything like the same difficulties that the technical assistance programme has had in using unconvertible currencies. The SUNFED concept, however, is still very vigorous, as demonstrated in a bitter address from the Pakistan Representative, and a forthright and impatient address by the Netherlands Representative on the subject. Difficult debates on SUNFED can be anticipated in the General Assembly, but there was a general recognition of the importance of securing the participation of the major contributors, particularly the U.S., which was encouraging.

USSR Delegation

The USSR Delegation took very little part in the meetings. What interventions it made emphasized the importance of regional U.N. activity, particularly in the commodity field. The USSR also stressed the need for speeding the industrialization of the under-developed countries sometimes out-manoeuvring the Western developed countries in their efforts to promote, on the basis of their own experiences, balanced economic development. As a result of communist urging it seems possible that some of the under-developed countries have begun to return to the over-emphasis on industrialization which characterized their early post-war development programmes. The Russian Delegation also strongly supported the regional commissions and interregional cooperation probably because in these commissions the USSR is able to exercise a greater influence than it is in the United Nations General Assembly bodies. This is particularly true of ECAFE and of ECE. When the USSR was not supporting regional trade expansion, it was promoting a nebulous world trade organization which appealed to those under-developed countries which still recalled the broad promise of the I.T.O. Another USSR emphasis was on what they termed "practicality", i.e. that the United Nations should soon begin to proceed from study programmes to direct assistance. In this respect, however, the USSR did not show any signs of financial irresponsibility.

In general, the USSR Delegation appeared to make its interventions in such a way as to undermine, so far as possible, the confidence of the under-developed countries in the United States and the United Kingdom. The USSR Delegation chose to support those proposals which would make the West most uncomfortable. The Czechoslovak Delegation was also used for this purpose, both delegations voting for all practical purposes as one. (Incidentally, the USSR Delegation and its followers appeared to be successfully promoting Russian as a working, as well as an official, language). The USSR Representatives seemed anxious to have closer relations with the Canadian Delegation and on at least two occasions suggested that the delegation discuss issues with them in advance of the formal Council meetings.

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U.N. Secretariat

The Secretary-General played an important role at the Geneva meetings, placing special emphasis on the importance of improvements in the international commodity trade field and bringing forward several interesting ideas for the consideration of ECOSOC. The Secretary-General, however, is reputed to have been dissatisfied with the discussion on the world economic situation at the 22nd session and to have decided that it might not be necessary or useful for him to participate in next year's debates if of the same calibre.

Carlson, the Head of the Economic Division, was particularly active and constructive. Dr. Keenleyside was an effective and friendly spokesman for the United Nations Technical Assistance Administration. Within narrower limits Humphrey of the Human Rights Division was a valuable member of the Secretariat. It was the opinion of the Canadian Delegation, however, that some difficulties could have been avoided had the Secretariat been willing to assume greater responsibilities. The difficulty was that some of the Secretariat interventions were far from helpful, e.g. those of Phillippe de Seynes. De Seynes showed great sensitivity to any discussion, e.g. on decentralization, which in his view reflected on the administrative powers of the Secretary-General. Of particular interest were the generally presumptuous activities of Dr. Gerta Blau of the FAO. Dr. Blau made a most irresponsible intervention in the Economic Committee proceedings designed to undermine ICCICA. There was apparently no basis of government decision for her intervention. The FAO representatives played a difficult role with regard to the world food reserve item (Dr. Blau, it must be admitted, at one point made an able intervention) and assumed a very arrogant attitude towards delegates. The ILO representative likewise made a most unfortunate attack on the Netherlands Delegation but otherwise the representatives of the Specialized Agencies participated in the debate uneventfully.

In general, however, the Secretariat, particularly from U.N. headquarters, whether from fear or diffidence, did not make as much of a contribution as its individual members are capable of making. The gain from general secretariat participation in the proceedings of ECOSOC would be greater than the loss which results from sometimes unfortunate secretariat actions and speeches. On balance, therefore, there is much to be said from avoiding a repressive attitude towards the secretariat which might inhibit its members unduly from bringing forward constructive ideas.

Finance

The Delegation was concerned at the frequency with which it felt called upon to make financial reservations at the 22nd session and at the confusion which appeared to exist in the Council generally concerning the relationship between the Economic and Social Council and the Fifth Committee of the General Assembly. A preliminary memorandum was prepared on this subject which is designed to explore the possibility of finding a way of protecting the position of the Canadian Representatives on the Fifth Committee while at the same time making it possible for the Canadian Delegation to ECOSOC to support useful initiatives without unnecessary qualifications. The U.S. and U.K. also make such qualifications which tend to dissipate such confidence and support as they can mobilize. This situation might well be discussed by Canada and the U.K. and the U.S. before the next ECOSOC session. The subject may well be a separate agenda item in 1957 at the 23rd and 24th sessions to ensure that there is a full discussion of the financial position and responsibilities of ECOSOC.

Specialized Agencies

The relationships between ECOSOC and the specialized agencies may well have been improved by the conduct of the debate on the reports of each agency in the Co-Ordination Committee. Certainly the ground for greater coordination of the programmes of the specialized agencies and of U.N. headquarters has been prepared.

Regional Commissions

There was no active support for an African Regional Commission, due to the opposition of the colonial powers which would be concerned, or for a Middle East Regional Commission because of difficulties over Israeli membership which the Arab states would not countenance. The reports of ECAFE, ECE and ECLA were given a limited general discussion at the 22nd session. The activities of ECE are strongly supported and endorsed by its members on the Council as are those of ECAFE, ECE and ECLA by the Asian countries and by the Latin American countries. It has become therefore difficult for ECOSOC to do more than comment generally on the programmes of those three Commissions which, except for ECE, are expanding rapidly in size and cost. One of the major issues on which the Council will face increasing difficulty in the future is that of determining the extent to which U.N. programmes should be decentralized to the Regional Commissions.

Conclusion

After the 22nd session was over the President, Ambassador Engen, referred to it as a "standstill session". The Canadian Delegation considered that the meetings while unproductive of dramatic advances, nevertheless, resulted in a thoughtful reassessment of some problems and programmes, which will be of value in increasing the usefulness of the Council. However, if the Council is to promote further improvements in world economic and social conditions through U.N. programmes, if it is to satisfy, even partially, the increasing and changing requirements which the under-developed countries continue to present, and if it is to fulfill the role assigned to it by the United Nations, then future sessions will need to produce more practical results than did the 22nd. In the absence for the moment of great power leadership and willingness or ability to make further sacrifices for the sake of U.N. programmes, it may well prove desirable for a Middle Power like Canada to play an important role in promoting a more effective role for Europe. Such a decision would, of course, depend on Canada's own ability to make greater contributions both financial and otherwise to U.N. economic and social programmes, and on the possibilities which exist for reenlisting the active interest and support of the Great Powers.

SUBDIVISION III/SUB-SECTION III

VINGT-TROISIÈME SESSION, NEW YORK, 16 AVRIL-10 MAI 1957
TWENTY-THIRD SESSION, NEW YORK, APRIL 16-MAY 10, 1957

374. DEA/11423-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to United Nations General Assembly

TELEGRAM V-163 Ottawa, March 25, 1957

CONFIDENTIAL. CANADIAN EYES ONLY. IMPORTANT.

By Bag Mexico from Washington and Rio, Hague, Djakarta, Karachi, Belgrade, Permis Geneva from London.

23RD SESSION OF ECOSOC

At a recent interdepartmental meeting, held to review Canadian attitude on UN economic and social programmes, serious concern was expressed over the widening rift in ECOSOC between the industrialized and under-developed countries, particularly on the controversial issues of capital aid and commodity problems. It was agreed that preconference consultations with certain members of ECOSOC, including our Commonwealth and NATO partners, and such under-developed countries as Yugoslavia, Indonesia and some Latin American countries might help to give us a better understanding of the various conflicting positions at ECOSOC and perhaps pave the way for more reasonable and less doctrinaire and rigid attitudes on either side.

2. Canada is not in a position, particularly in this pre-electoral period, to undertake new major initiatives nor does the agenda of the forthcoming session include many concrete topics of discussion, except perhaps for the secretariat's programme on industrialization.

3. There might be some advantage, however, even at this late date, in reviewing the situation with appropriate officials, in Washington, London and Paris as well as with friendly UN missions of member countries of ECOSOC in New York, to ascertain whether our concern over ECOSOC is shared by other representative countries. I should therefore be grateful if you would seize an early opportunity to raise the matter with your colleagues in other friendly delegations, using the following notes as a basis for discussion.

4. Present position in ECOSOC. It is natural that divisions and divergences of opinions and approach should exist on questions which affect the economies of both exporting and importing countries, either of capital or of primary products. There is a growing danger, however, that the Soviet member countries, led by the USSR, may be successful in exploit-

ing for their own ends these differences and the divisions they engender. In recent years, Soviet countries have been participating more actively in ECOSOC discussions, and although their delegations have not been too troublesome, their efforts are obviously designed to gain credit as champions of underdeveloped countries, particularly in the fields of industrial development and international trade. If the present situation is allowed to develop unchecked, the West is in danger of losing much of its influence in ECOSOC, which is the main forum — an important one in the context of the UN — in which the less developed and industrialized countries meet.

5. During its present term on ECOSOC, and particularly at the last two sessions of the Council in 1956, Canada has found it necessary to play the role of mediator on a number of issues and our delegations have on several occasions been able to reconcile divergences of view between the "have" and "have not" countries. Something more is needed, however, to restore Western influence in the Council.

6. Our delegation to the 22nd Session of ECOSOC deprecated the lack of "ideas" and leadership on the part of the USA and UK and suggested that they did not perhaps regard ECOSOC as providing opportunities for participation in developing UN programmes in the economic and social fields. The French delegation played a more active part, but some of the initiatives it took seemed to be primarily directed towards asserting the position of France as one of the Great Powers and on occasion caused embarrassment to its Western colleagues by acting without consulting them.

7. In the present international context, the main responsibility for maintaining Western influence in ECOSOC would appear to rest upon the USA, because of the latter's resources and position. The intervention of the UK and France in Egypt and the economic stresses which have resulted from it for the time being have probably limited the ability of these two countries to play leading roles at ECOSOC, although their experience and prestige remain valuable assets. In general the contribution of Canada and other NATO countries is likely to be most effective if it can be made in support of that of the major Western Powers, particularly the USA.

8. What is required to redress the situation in ECOSOC is perhaps not so much ambitious new programmes or initiatives as greater understanding and sympathy for the aspirations of the less developed countries (particularly on the part of the USA and the UK). The immediate need is for a change of attitude rather than for greater financial contributions, and for the Western countries to co-ordinate their effort at ECOSOC and develop, *mutatis mutandis*, a more forthcoming approach to the problems of the less advanced countries. While we recognize the importance of co-ordination and economy at ECOSOC (and in the specialized agencies as well) some of the Western countries may have been too prone to consider the Council as "a body which must be prevented from doing any damage and incurring more expense than absolutely necessary". Between negative cautiousness and the other extreme of unchecked liberality there should be room for a more reasonable position. For instance, it should be possible for Western countries on occasions to support certain marginal projects proposed by under-developed countries which while not conforming with stricter Western standards of practicability and efficiency may reap wider economic and political benefits.

Conclusions

9. You will be in a better position to decide to what extent you can use the above remarks in your consultations. The primary purpose of consultations in Washington, London and Paris is to propose mutual consideration of steps we might take to improve the situation in ECOSOC. With respect to other members of ECOSOC with which consultations will be

undertaken in New York we are interested in letting them know that we take their views seriously, wish to take them into account in formulating our own views and would like to find out what items are of particular concern to them and the reasons for their interest. We are particularly interested in the views of under-developed countries on such problems as industrialization, land reform and co-operatives: items which are included in the agenda.

10. You should not raise on your own the question of SUNFED. It is under discussion in an Ad Hoc Committee of the UN. If others raise it, you should refer them to our reply to the questionnaire[78] where the government's position is clearly stated. We are not in a position to take any steps ourselves at the present time to encourage the establishment of SUNFED, nor to encourage other countries to support proposals for its establishment. We shall, however, play as constructive and useful a role as we consider realistic in the work of the Ad Hoc Committee.

11. Consultations with USA, UK and France will be undertaken by our missions there. I should be grateful if at your discretion you would consult along above lines representatives of such other member countries of ECOSOC as Brazil, Indonesia, Mexico, the Netherlands, Pakistan and Yugoslavia.

[J.] LÉGER

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375. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT NO. 74-57 Ottawa, April 2, 1957

CONFIDENTIAL

GENERAL INSTRUCTIONS TO THE CANADIAN DELEGATION TO THE 23RD SESSION OF ECOSOC — NEW YORK, APRIL 16 TO MAY 3, 1957

1956 marked the tenth anniversary of the Economic and Social Council and the 22nd Session which was held last summer was, according to its President, Dr. Engen of Norway, "more characterized by pausing and reflection than by decisive action". There were, however, grounds for concern over the apparently widening rift in the Council between industrialized and under-developed countries.

The agenda of the 23rd Session of ECOSOC is comparatively light and contains few items of major importance from a Canadian point of view. The primary task of the Canadian Delegation will therefore be to continue to take an active interest in the discussions of the Council with a view to assisting it to reach constructive decisions without embarking upon new programmes which would involve the commitment of substantial additional financial resources.

The most pressing need is not for ambitious new programmes or initiatives but for greater understanding and sympathy for the aspirations of the less developed countries on the part of the more highly developed Western countries. The Canadian Delegation may therefore again be called upon to play a mediatory role, recognizing the need both for restraint by the less developed countries in demands for United Nations activities and also for a less rigid and doctrinaire approach by the more advanced countries in order to avoid extreme divergences of view between the "haves" and the "have nots" and the exploitation of such divisions by the Communist bloc. While certain proposals advanced in ECOSOC may seem unrealistic by North American standards, less developed countries may attach a great deal of importance to them. The Delegation should accordingly be prepared on appropriate occasions to continue to consider certain marginal projects which involve relatively minor expenditures but may produce wider economic and political advantages. At the same time, the Delegation should continue to keep a watchful eye on the financial implications and the co-ordination of the Council's activities. It need not, however, stress the limitations in Canada's ability to make more substantial commitments, the reasons for which are now generally well appreciated, but might rather stress the need for more effective utilization of available resources.

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[78] Voir les documents 353-355/See Documents 353-355.

Subject to the limitations imposed by Canada's federal constitution, the Delegation should be prepared to support and participate in worthwhile United Nations activities in the social and human rights fields. Progress made in these areas could relieve pressure for more ambitious operations in other fields.

Economic Development

Under this item the Council will be required to consider United Nations activities in the fields of industrialization, land reform, co-operatives and possibly international commodity problems. The Secretary-General will present a progress report on studies being undertaken regarding industrialization; he will present a second survey of land reform measures in member countries, based on replies to a questionnaire; a study will also be presented concerning forms of assistance which might be provided by governments to encourage co-operatives, and the fields in which co-operative forms of organizations are most suited. The Delegation should encourage and support constructive and realistic proposals which may be conducive to real progress in these fields, particularly in areas which are in a stage of early development.

If, as appears likely, an item is introduced concerning international commodity problems, the Delegation should indicate Canadian support for the development of sound international measures, on a commodity-by-commodity basis, to promote greater stability of trade.

The Delegation should be guided by the Canadian reply to the U.N. questionnaire on SUNFED. We are not in a position to take any steps at the present time to encourage the establishment of SUNFED, or to persuade other countries to support proposals for its establishment. As the 11th General Assembly requested the Secretary-General and the *Ad Hoc* Committee on SUNFED to submit comprehensive reports to the 24th Session of ECOSOC, the question of SUNFED should not be considered at the 23rd session and the Delegation should oppose any attempts to raise it.

Expansion of ECOSOC

At its 11th session the General Assembly decided to postpone to the next session consideration of the various proposals for the expansion of the main organs of the U.N., including ECOSOC. Canada should not sponsor proposals for expansion. However since Canada took the initiative in 1955 in enlarging the membership of the United Nations, the Delegation should be prepared to support recommendations for which there is general acceptance looking towards reasonable and balanced increases in the size of the four functional commissions of ECOSOC whose membership (15) is at present smaller than that of the Council (18) (viz: the Transport and Communications Commission, the Statistical Commission, the Population Commission and the Narcotic Drugs Commission).[79]

[L.B. PEARSON]

SECTION C

DÉSARMEMENT
DISARMAMENT

376. DEA/50271-A-40

Rapport

Report

SECRET. CANADIAN EYES ONLY. [New York, n.d.]

REPORT ON THE SESSION JULY 3-16, 1956 OF THE DISARMAMENT COMMISSION

PART A

The Disarmament Commission met from July 3 to July 16 1956, to consider the report (DC/83 of May 4, 1956) of the Sub-Committee on its discussions in London, March 19 to May 4, 1956. The report included the various proposals, working papers and other documents submitted during the Sub-Committee's session, together with the verbatim record. An interim report of progress after about six weeks of discussion by the Sub-Committee had been envisaged by the Disarmament Commission at its meeting on January 23, 1956.

2. At the Sub-Committee session last Spring, although at first there appeared to be some flexibility in the positions of the main parties, the various shifts which occurred in these positions resulted in no real progress. It appeared, however, that the delegations of the Soviet Union and the United States were thinking along similar lines in their approach to the problem on disarmament, that is, both seemed to be in favour of seeking agreement on measures which could be implemented in the immediate political circumstances. The United Kingdom and to a lesser extent, France, were also prepared to seek agreement on a first stage of disarmament although, as the authors of the Anglo-French working document of March 19,[80] they continued to seek a definition of the ultimate goals of disarmament, most of which could not be attained until there had been a marked improvement in international relations. Canada, without abandoning any of its ultimate objectives, urged the desirability of reaching an agreement, however limited, which could serve as a basis for

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[79] Approuvé par le Cabinet le 4 avril 1957. Pour le résumé du rapport de la 23ᵉ session, voir Canada, ministère des Affaires extérieures, *Affaires Extérieures*, vol. 9, N° 8, août 1957, pp. 247-249.
Approved by Cabinet on April 4, 1957. For a summary report on the 23rd Session, see Canada, Department of External Affairs, *External Affairs*, Vol. 9, No. 8, August 1957, pp. 247-249.

[80] Voir France, Ministère des Affaires extérieures, *Documents relatifs au désarmement 1954-1959*, Paris, Imprimerie Nationale, 1960, pp. 71-74.
See *Documents on Disarmament 1945-1959*, Volume 1, Washington: United States Government Printing Office, 1960, pp. 595-598.

further agreement not only on comprehensive disarmament but on broader political issues.[81]

3. The main difference between the Soviet Union and the Western Powers was that, whereas the Soviet Union proposed conventional disarmament, within a three year period and without political settlements, down to levels formerly proposed by the Western Powers (1.5 million for China, USSR and United States, 650,000 for France and the United Kingdom) for a comprehensive programme, these reductions were not related to any measures of nuclear disarmament. The Soviet Union did, however, restate its traditional position on the prohibition of nuclear weapons and said that this could be the basis of either a simultaneous agreement or one which could be "facilitated" by the agreement on conventional disarmament. The Soviet Representative stated categorically that the two should not be linked, in the sense of being dependent upon one another. In varying degrees the position of the Western Powers was that however limited the agreement might be, it must contain both nuclear and conventional elements and, if this agreement were to be implemented in the present political circumstances, the levels to which forces should be reduced would be considerably higher than those formerly proposed for the final stage of disarmament (2.5 million for China, USSR, United States; 750 thousand for France and the United Kingdom). As in the past, moreover, the Western Powers, continued to insist that effective inspection and control was essential to the implementation of any agreement on disarmament. The Soviet proposals of March 27 on control were considered inadequate and in particular the Soviet position on aerial inspection.[82]

5. In these circumstances the Sub-Committee talks ended in a deadlock. In terms of propaganda the Soviet Union assumed the position that, while it was ready to proceed with practical measures of disarmament, once more the Western Powers had demonstrated their lack of desire to reach agreement; once more they had withdrawn in the face of Soviet acceptance of Western proposals. The position of the Western Powers was that the Sub-Committee should continue to search for an *agreed* solution based on the four-power declaration submitted to the Sub-Committee on May 4, 1956.[83]

6. On May 14, the Soviet Union announced unilateral reductions in its armed forces by 1.2 million men. This move had been expected since the time of the Soviet proposal of March 27, 1956. The announcement was coupled with a disparagement of the proceedings in the Sub-Committee. This attack reflected the views which Mr. Khrushchev had expressed privately during his visit to the United Kingdom. The Soviet attitude seemed to be that the Sub-Committee had outlived its usefulness and, apparently in accordance with that view, Mr. Bulganin on June 6 addressed separate letters to seven members of NATO urging them among other things, to follow the example of the Soviet Union in making

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[81] Pour obtenir une description brève de la déclaration du représentant canadien, Norman Robertson, voir United Kingdom, Parliamentary Papers, Cmd. 9770, *Report on the Proceedings of the Sub-Committee of the United Nations Disarmament Commission*, March 19-May 4, 1956, London: Her Majesty's Stationery Office, 1956, p. 19.
For a brief description of the statement by Canada's representative, Norman Robertson, see United Kingdom, Parliamentary Papers, Cmd. 9770, *Report on the Proceedings of the Sub-Committee of the United Nations Disarmament Commission*, March 19-May 4, 1956, London: Her Majesty's Stationery Office, 1956, p. 19.

[82] Voir *Document relatifs au désarmement 1954-1959*, pp. 74-78.
See *Documents on Disarmament 1945-1959*, Volume 1, pp. 603-607.

[83] Voir/See *Documents on Disarmament 1945-1959*, Volume 1, pp. 625-626.

reductions in armed forces and armaments.[84] In spite of these signs of Soviet impatience about the Sub-Committee, it seemed most unlikely that the Soviet Union would try to either have it dissolved or have its membership enlarged.

7. Both sides approached the recent session of the Disarmament Commission with the intention of improving their propaganda position, in preparation for the eleventh session of the General Assembly. The Soviet Union had its various "offers to meet the West" and its unilateral reductions, in short, action on disarmament rather than diplomatic dialogue. The Western Powers could point to the inadequacy of Soviet proposals on control, the absence of nuclear measures in the latest Soviet proposals of March 27 and the need for an agreement based on sound principles.

Western Solidarity

8. The four Western Powers of the Sub-Committee were greatly concerned about maintaining a solid front in the face of a Soviet propaganda position which was admittedly strong. In the Sub-Committee the Soviet Representative had shown little disposition to exploit the obvious differences between the Anglo-French position and that of the United States. Nevertheless those differences helped to weaken the Western stand, both as a negotiating and a propaganda position. In an effort to reach common ground for the Western partners, the United Kingdom circulated, a short time before the opening date of the Disarmament Commission, a plan for partial disarmament which included both nuclear and conventional elements. This plan was considered unacceptable as a basis for the Western position in the Commission, because it contained new elements and because there was insufficient time for the four to reach full agreement on it. Accordingly, it was not pressed by the United Kingdom.

9. The United Kingdom then fell back on the four-power declaration of principle of May 4. Arriving in New York a week before the Commission session began, Mr. Nutting canvassed the opinions of the majority of members (Australia, Belgium, Cuba, Iran, Yugoslavia and, of course, his three Western colleagues on the Sub-Committee). As a result of these consultations it was agreed that the Western Four should submit a draft resolution which urged the Sub-Committee to continue its search for an agreed solution, "paying due regard" to the principles of May 4. Mr. Nutting proposed to submit this draft resolution (Doc. DC/87 of July 3) at the first meeting of the Commission, although Mr. Martin urged him to wait until the discussion had developed and M. Moch expressed a preference for a simple procedural motion. Mr. Cabot Lodge had at first been in favour of a procedural move but was persuaded to support Mr. Nutting's approach.

10. Early in the discussion in the Commission it was clear that the four-power draft resolution would have the support of 10 members of the Commission, although the Representative of Australia was anxious to strengthen it. He had firm instructions to see that the Commission did something more than merely apply a rubber stamp to the Sub-Committee's report. The Representative of Yugoslavia favoured the Western principles as

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[84] Pour obtenir un bref énoncé de la lettre de Boulganine, voir Canada, Ministère des Affaires extérieures, *Le Canada et les Nations Unies*, Ottawa: Imprimeur de la Reine, 1957, p. 7. La lettre de Boulganine a été présentée à la Chambre des communes le 12 juin 1956 et la réponse de Saint-Laurent a été versée au dossier le 18 juillet 1956. Voir Canada, Chambre des Communes, *Débats*, 1956, volume 6, pp. 6329-6331.

For a brief description of Bulganin's letter, see Canada, Department of External Affairs, *Canada and the United Nations 1956-57*, Ottawa: Queen's Printer, 1957, p.6. Bulganin's letter was tabled in the House of Commons on June 12, 1956 and St. Laurent's reply was read into the record on July 18, 1956. See Canada, House of Commons, *Debates*, 1956, Volume 6, pp. 6109-6111.

a basis for an eventual agreement on disarmament but he was anxious to promote early agreement on initial steps and particularly those which would not require political settlement as a pre-condition. These ideas were embodied in the Yugoslav draft resolution (Doc DC/92 of July 10). Attempts were made, with some measure of success, to incorporate the Yugoslav ideas in the four-power draft resolution. The negotiations between the Western Four and Yugoslav Delegation were abandoned however, when the Soviet Union announced that it was prepared to accept the United States figures of 2.5 million and 750 thousand for the levels of forces and the Great Powers.

11. The same move, on the part of the Soviet Union, caused the Western Four to have second thoughts about pressing the four-power draft resolution to a vote. Mr. Nutting, arguing that the situation had changed considerably (the Soviet position was not as inflexible as it had appeared) since the tabling of the four-power declaration on principles of May 4 and since the submission of the joint draft resolution on July 3, strongly recommended that all the proposals before the Commission be referred to the Sub-Committee for study. It was envisaged that the Sub-Committee could examine in detail the shift in Soviet policy implied in Mr. Gromyko's statement on July 12. Mr. Martin and M. Moch supported Mr. Nutting; neither of them had been too enthusiastic about the four-power draft resolution. The United States Delegation, however, was not prepared to change its position merely because Mr. Gromyko had appeared to change his. Mr. Lodge and Mr. Wadsworth argued that the so-called Soviet acceptance of United States figures for the levels of the Great Powers was no real concession and, in the light of the conditions which had been attached to that acceptance, there might be no real change in the Soviet position. In any event, if the Western Powers were not to press their resolution to a vote, the press in the United States would treat the matter as a diplomatic victory, through cheap propaganda, for the Soviet Union.

12. The United States Delegation could not be dissuaded from this point of view, notwithstanding considerable efforts on the part of the other three Western Delegations. After a lengthy consultation it was agreed that Peru, on behalf of the Western Four, would submit a draft resolution (Doc. DC/97 of July 16), prepared by the United States Delegation, which in its preamble would take note of the various proposals and statements made in the Commission and refer specifically to the four-power declaration of principles, and which would ask the Sub-Committee "to study these propositions at the appropriate time" and to report to the Commission which would then examine the various resolutions and proposals "already presented to it or which shall have been presented between now and its next session". This draft resolution was a combination of ideas which M. Moch and Mr. Nutting had advanced. The United States' Western partners reluctantly agreed to support this procedural resolution, which would clearly have the support of at least ten members of the Commission.

13. When the Peruvian draft was presented in the Commission on July 16, Mr. Gromyko reacted vigorously and rejected it as being wholly one-sided. Before the meeting M. Moch had informally discussed the situation with Mr. Sobolev and as a result, had proposed in the Commission, before Gromyko's rejection of the Peruvian proposal, that the authors of various proposals might meet during a brief recess to see whether a procedural text acceptable to all could be drafted. This suggestion was supported by Mr. Gromyko and the Yugoslav Representative, who was clearly disappointed by the Peruvian text. M. Moch made no effort to consult his Western partners about this variation of agreed tactics. The result was that when the proposal for a recess was put to a vote, it was not carried because of a three-way split in the vote. (Belgium, Canada, United Kingdom and United States voted against it.) M. Moch obviously angered by the refusal of his Western partners to

make even a show of trying to reach an agreed text, complained bitterly about the rejection of the proposal for a recess. This clear rift in the Western ranks did much to undo the tactics followed throughout the Commission debate and greatly reduced the value of the voting victory which the United States desired.

Soviet Position

14. Mr. Gromyko's first major intervention on July 3 was not very effective as propaganda. The Soviet Union had some strong talking points; there was the superficial argument that every time the Soviet Union agreed to accept proposals made by the West, the Western Powers withdrew from those proposals; there were the unilateral reductions which the Soviet Union had announced and which it was carrying out, notwithstanding the failure of the discussions in the Sub-Committee and the apparent reluctance of the Western Powers to follow suit; there was the traditional Soviet position on nuclear disarmament and the prohibition of tests; the Soviet Union could even claim to have broadened its approach to the questions of control. Moreover, there were obvious differences among the Western Four which could have been exploited not only to divide them but to show the impracticability of the Western position as a basis for negotiation. Mr. Gromyko used most of the arguments at hand but not as effectively as he might have done. He seemed to have no interest in driving wedges between the Western partners.

15. His second major intervention on July 12 was more effective, although it contained obvious distortions and was too reminiscent of Soviet cold war speeches. The Soviet Delegation made a point of requesting a meeting of the Commission at a time when it had been previously agreed that no meeting should be held. This clearly added emphasis to what Mr. Gromyko had to say. After a lengthy attack on the Western Powers for blocking the solution of the disarmament problem, an attack which dealt with Western policies in all areas, Mr. Gromyko pointed the way out of the impasse by summarizing what the Soviet Union was proposing on disarmament.

16. He made four main points;

(a) The Soviet Union proposed to conclude an agreement on the unconditional prohibition of weapons of mass destruction, the elimination of all stocks of atomic bombs and cessation of their production. It proposed to conclude an immediate agreement on the immediate cessation of all tests of atomic and hydrogen weapons. Whether separate agreements were being proposed was not clear but the implication of Soviet proposals and statements in the Sub-Committee last Spring is that separate agreements might be concluded.

(b) The Soviet Union favoured a considerable reduction of the armed forces of the Great Powers. Since "our partners do not agree to this", Mr. Gromyko said, the Soviet Union "agrees that the level of armed forces will be established now for the Soviet Union, the United States and China at the level of 2.5 million each; for the United Kingdom and France 750 thousand men each; for other countries no more than 150 thousand to 200 thousand men each; in order that as a second step the armed forces of the United States, the People's Republic of China and the Soviet Union should be reduced to the level of 1 million to 1.5 million each and those of the United Kingdom and France to 650 thousand men each." Armaments and military expenditures would be reduced "correspondingly".

(c) The Soviet Union wanted an effective control over the prohibition of atomic weapons and reductions in armaments and armed forces. Mr. Gromyko then summarized the Soviet position on control as proposed on March 27.

(d) As an interim measure the Soviet Government called anew on all powers to accept the "Draft Declaration of States regarding Measures to Strengthen Universally Powers of the Security of Peoples" (Doc. D/C88 of July 3). This draft declaration had been tabled by

Mr. Gromyko on July 3 and in essence was a reiteration of earlier Soviet proposals that the powers concerned renounce the use of atomic and hydrogen weapons and, in general, the use of the threat of force. It was probably tabled as a direct counter to the four-power draft resolution.

Further comment on the Soviet position is contained in the Assessment — Part B of this report.

Canada's Position

17. The Canadian position was reviewed in some detail in a statement by Mr. Martin in the Disarmament Commission on July 5 (the text is contained in Doc. DC/PV 53). Mr. Martin emphasized once again Canada's apprehension that, if steps were not soon taken to check the spiralling development of nuclear weapons, including their means of delivery, the powers concerned might shortly find themselves in a situation in which it would be no longer practicable to implement an effectively controlled programme of disarmament. In that era of "push-button" weapons the dangers and anxieties of the present would be greatly magnified. Mr. Martin argued, as the Canadian Representative had done in the Sub-Committee, that a start on disarmament should be made at once and in immediate circumstances; that however limited the agreement might be, it would have a significant psychological and political effect which could lead to more complex agreements not only on disarmament but on broader political issues. Expressing guarded welcome to their unilateral steps toward conventional disarmament, Mr. Martin urged the Soviet authorities to join in an agreement which would include nuclear elements and, in short, to demonstrate that the repudiation of Stalinism at home had its counterpart in a less distrustful and more constructive attitude toward the problem of international disarmament.

18. This statement was warmly welcomed by all members of the Commission except the Soviet Representative. It received wide and favourable coverage in the press. In another intervention on July 13 (DC/PV 59) Mr. Martin commented on the problem of nuclear tests which had been raised in detail by Mr. Krishna Menon. Mr. Martin referred to the study in Canada of the effects of atomic radiation and urged that national studies of this kind should be co-ordinated closely with the work of the United Nations Scientific Committee on the Effects of Atomic Radiation. He expressed Canadian support for some form of limitation of test explosions of a military nature, preferably within the context of other measures for disarmament under effective control.

19. Behind the scenes the Canadian Delegation worked strenuously to maintain solidarity in the Western ranks. This was a continuation of the role which Canadian representatives had played during the Sub-Committee session in London. The aim was to reconcile as far as possible the differences in approach among the Western Three. At the Commission Session, as indicated elsewhere in this report, Mr. Martin was mainly concerned with bridging the gap between M. Moch and Mr. Lodge. Unfortunately although some success was achieved in the informal consultations among the Western Four, all efforts at reconciliation were largely offset by M. Moch's sudden and emotional outburst in the closing minutes of the session.

Other Positions in the Commission

20. The Yugoslav position was perhaps the most interesting among the non-members of the Sub-Committee. The Yugoslav Representative favoured the four-power principles but he was concerned about the emphasis on political settlements (Sub-paragraphs 1 and 2 of the Draft Resolution). The Yugoslavs believed that the emphasis should be on the need for an immediate agreement on measures which could be implemented at an early date. They were ready to accept the United States figures for force levels in the first phase; they

believed that some nuclear measures should be included from the outset, and particularly the cessation or at least the limitation of nuclear tests; reduction in military expenditure should also be part of the agreement. The Yugoslavs worked strenuously to bring about some accommodation between the opposing points of view. They seemed genuinely disappointed when the Peruvian text was pressed as the procedural motion designed to meet the situation in the Commission. Throughout the proceedings the Yugoslav Representative showed no disposition to side with the Soviet Union and privately dismissed the Soviet draft resolution as worthless.

21. The Australian Delegation was most anxious to have a debate in the Commission which would provide some direction to the Sub-Committee when it reconvened. It was to some extent the result of Australia's efforts that a full and useful discussion did take place. The Western Four and the Soviet Delegation were encouraged to give a complete disclosure of their positions and the Australians and Yugoslavs responded by giving clear views of non-members of the Sub-Committee. Dr. Walker's main statement on July 9 was well balanced and thought-provoking and demonstrated that the problems of disarmament are not confined to those of the principal members of the Sub-Committee. The Australian amendment served to round out the four-power draft resolution.

22. Among the remaining members of the Commission the Representative of Iran was the most helpful contributor. His replies to Mr. Gromyko and his support for the Western position were well-timed and to the point. As in the recent Security Council proceedings, Dr. Abdoh's conduct in the Commission has further enhanced his stature among missions in New York.

23. The Indian intervention on the whole was disappointing. Mr. Menon had not taken the time to prepare his case well and his remarks were largely a repetition of what he and other Indian representatives have said in past United Nations discussion of this subject. Some of his arguments in favour of a "suspension" of nuclear tests had substance but he failed to back them up with authoritative scientific opinion. Likewise the ideas he advanced for bringing about an armaments truce were not as unrealistic as he made them sound. In addition, he argued briefly but not convincingly in favour of direct negotiations in the interests of the whole world between the United States and the Soviet Union and in favour of an enlargement in the membership of the Commission and its Sub-Committee. Comments on Mr. Menon's intervention were confined to his remarks on the suspension of tests. Taken as a whole the answer was that the need to organize a system of limitation on tests was real but the best scientific advice today indicated that the problem was not as urgent as some advocates of prohibition or suspension proclaimed. M. Moch's immediate reply to Mr. Menon was particularly effective.

PART B

Assessment

24. The broad propaganda attack in Mr. Gromyko's statement of July 12 was dealt with effectively and almost immediately by various members of the Commission. His proposals on disarmament were, however, not directly answered, largely because the Commission was not the forum for the detailed debate on them. It was, moreover, necessary for the Western Powers to study this statement carefully, and particularly the remarks concerning the reduction of armed forces, to see whether Mr. Gromyko had announced a shift in policy or was only making a further manoeuvre to strengthen the public position of the Soviet Union.

25. As a propaganda exercise, the debate in the Commission produced no clear cut advantage to either side. The Western Powers had their voting victory but at the expense of

irritating the Soviet Delegation, alienating the Yugoslavs and provoking M. Moch to differ sharply and indignantly with his Western partners. The Soviet Union added substance to its claim to be willing to discuss all aspects of disarmament and to meet all proposals put forward by the West. Mr. Gromyko was, however, unable to answer convincingly the Western protestations about the inadequacy of the control measures proposed by the Soviet Union.

26. On substance the new element in Mr. Gromyko's statement was the section on the reduction of armed forces. The Soviet proposal of March 27 made no mention of stages but merely listed measures which "shall be carried out in 1956-58". There was reference to "gradual reduction" in armaments and armed forces to the levels proposed, that is 1-1.5 million for China, the Soviet Union and United States and 650 thousand for the United Kingdom and France. The size of the annual reduction should be "subject to further agreement". It is not clear whether the Soviet acceptance of the figure 2.5 million "as a first step" is an altogether new proposal or whether it is merely an elaboration of the "gradual reduction" to which the March 27 paper refers. The linking of the acceptance with the "second step" in reductions to the levels proposed on March 27 suggests that there may be no substantial change in the Soviet position. This is substantiated by the linking of the acceptance of 2.5 million with the figure 150-200 thousand as the level of the armed forces of other states. According to the March 27 proposals the level for other countries would be determined at a world conference. Mr. Gromyko's remarks could imply that the passing from step to step (he avoided the word "stage") would be an automatic procedure, that is, without the safeguards which were contemplated in the Anglo-French plan. This was one feature of the March 27 proposal which was criticized by all the Western representatives in the Sub-Committee talks last Spring. Equally objectionable, from the Western point of view, was the absence of a nuclear element. It is true that Mr. Gromyko has re-stated the traditional Soviet position on nuclear disarmament, including the banning of test explosions, but he seemed to adhere to the position taken on March 27 that conventional and nuclear disarmament should be separated for the purpose of reaching earlier agreement. All these factors suggest that Mr. Gromyko's remarks add up to little more than clever propaganda. This seemed to be the conclusion reached by the United States Delegation, at least their preliminary one.

27. Mr. Nutting made much of the change which Mr. Gromyko's remarks implied; this meant that the Sub-Committee should be reconvened soon to examine their full implication. (The United Kingdom position has been that the USSR will not be interested in serious negotiation until May next year when its strength in conventional armed forces is expected to be roughly that of the United States. However, it is important in Mr. Nutting's view to keep the Soviet Union "in check" on every move.) M. Moch tended to support Mr. Nutting although he was less enthusiastic about an early meeting of the Sub-Committee. Whatever the implication of Mr. Gromyko's remarks, it seems clear that if the Western Powers are to make good their case for *an agreement* on disarmament rather than unilateral reductions, they must be prepared to explore by negotiation, either in the Sub-Committee or elsewhere, every avenue opened by the Soviet Union. It does not follow however, that the Western Four should precipitate a new meeting of the Sub-Committee. Quite the contrary, they should prepare themselves carefully for the next encounter with a view to presenting a solidly united front to the Soviet Union and to exposing fully the hollowness of the Soviet position, if Mr. Gromyko was only making propaganda.

28. In a sense the recent Soviet moves are much more than propaganda. The Soviet Union may not be interested in reaching agreement on a comprehensive programme of disarmament; it may be opposed to *any* agreement which involves a complex system of

inspection and control; but recent moves, like the unilateral reductions of the superficial acceptance of the Western proposals, are designed to do more than merely to evade Western pressure for an agreement on disarmament. Just as the previous Soviet position on the prohibition of nuclear weapons was aimed at weakening Western strength in nuclear weapons, the current emphasis on conventional reductions is designed to wreck NATO with the ominous consequences this would have for the German question. Moreover, the Soviet proposal to ban nuclear tests is designed to appeal to those genuinely anxious about the effects of atomic radiation and to win general sympathy for the Soviet position on disarmament. By all these moves the Soviet Union hopes to compel the Western Powers, reacting to the pressure of public opinion, to *adopt* measures of disarmament although on security grounds they might be reluctant to do so.

29. For this reason the Western position in the Sub-Committee and elsewhere should not be simply a matter of propaganda. Complex arguments on inspection and control and on the effects of atomic radiation are far less effective as propaganda than announcements about reductions in armed forces and armaments. The best counter to the Soviet position would be a sound proposal which can be easily understood, which takes into account the world's anxiety about nuclear arms development, which has some prospect of early implementation and which the Soviet Union might have difficulty in rejecting, particularly if it has behind its propaganda screen a real interest in reaching some measure of agreement on disarmament. (It might be significant that Mr. Gromyko announced in the closing minutes of the Commission's debate the Soviet Union's "favourable attitude" to the Yugoslav draft resolution.) Accordingly the Western partners should *now* seek to evolve a first stage plan which they could all endorse whole-heartedly which could be implemented in immediate circumstances and which might stand on its own until broader agreements, on disarmament and other political questions, could be reached.

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377. DEA/50271-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], July 18, 1956

LIMITATIONS ON TESTS OF NUCLEAR WEAPONS

A complete prohibition of tests of all kinds of nuclear weapons, standing alone, would present a number of substantial problems. It would raise Soviet political objections if its control were to be effective. It would involve technical control difficulties which might never be disposed of to the satisfaction of the United States. It might well be opposed by our combined Chiefs of Staff. And it would in all possibility be firmly opposed by the United States and the United Kingdom.

An agreement on the limitation and regulation of test explosions would partly or wholly avoid each of these objections. Satisfactory forms of control can be envisaged which should not involve either political objections on the part of the Soviets or major technical difficulties or an elaborate administrative structure. Limitations relating to size and frequency of explosions should not be open to the same objections on the part of our combined Chiefs as total prohibition. The United Kingdom and the United States have expressed themselves in favour of limitations in certain conditions. And the objectives which would be served by Canadian support of total prohibition of tests can equally well be achieved by a policy of limitation.

Potential Biological Hazards

You will recall that there was no widespread concern over the radiation effects of test explosions until the incident in March 1954 when a Japanese fishing boat some 200 miles from the blast was showered with radioactive fall-out. Only a few days after that event Prime Minister Nehru, speaking in the House of the People, called for "some sort of what may be called "standstill agreement" in respect, at least, of these actual explosions, even if arrangements about the discontinuance of production and stockpiling must await more substantial agreements among those principally concerned". This initiative was followed by declarations in a similar sense in which India participated with other governments including Burma, Ceylon, Egypt, Indonesia and Pakistan as well as at the Bandung Conference. Other expressions in favour of the cessation of tests took the form of parliamentary resolutions in as varied places as Japan and Iceland. In the 1955 British general election the Labour Party included in its platform a policy of seeking agreement on the prohibition of tests.

Concern over the possible effects of radiation from test explosions inspired India's request to the General Assembly last year to consider the effects of atomic radiation. This fact was somewhat concealed by the far more general United States agenda item with which it was combined. Indeed, General Assembly resolution 913 (X) which established the Scientific Committee on the Effects of Atomic Radiation refers only indirectly to the effects of test explosions when it mentions radioactive fall-outs in the preamble. The Scientific Committee met in March and evolved its initial programme and circulated requests for specific data. It is to meet again in October to consider the reports received. According to our representative, the Committee has got away to a good start and is functioning satisfactorily. It may therefore be expected that in due course it will produce useful data and guidance.

In the meantime, it may be recalled that there have been a number of expressions of opinion on the hazards of radiation, both official and unofficial. The two sets of views on the whole tend to differ for the reason that the official statements have been particular, having been based upon the measured radiation levels in specified locations following explosions which have already taken place. The unofficial views tend to be general and to be projected from calculations as to the possible future effects of repeated tests over a span of several years or of warfare involving thermo-nuclear weapons (the unofficial alarm about the effects of warfare received unexpected support this month from the evidence given in the United States Senate Armed Services Committee that thermo-nuclear war would involve "hundreds of millions" fatalities).

It would appear, however, that the biological problem is by no means confined to the hazards of weapons tests. Indeed, the reports of both the United States National Academy of Sciences and of the British Medical Research Council which were published last month, suggest that weapons tests constitute only the most spectacular part of the problem of radiation hazards. Among the other aspects of constantly growing importance is, for example, the problem of the disposal of radioactive waste generated in large quantities by nuclear power stations.

The best scientific opinion, which we will proceed to verify to the extent possible from Canadian sources, seems to support the thesis expressed by M. Moch in the Disarmament Commission to the effect that, although the hazards should not be minimized, the risks are not immediate and if tests continue at the present rate even for an indefinite period the increase in radioactivity would be negligible.

Prohibition of Tests and Prospects of Nuclear Warfare

It is worth noting that the concern over thermonuclear test explosions has an emotional and political character of its own. Perhaps because the first atomic bomb test, as well as several subsequent series, was conducted in the continental United States, such lesser explosions were not regarded as posing a separate problem from the general question of how to achieve an effectively controlled prohibition of atomic weapons.

Suggestions that a limitation or even a prohibition of tests would have a serious impact on the general problem are to a considerable extent ex post facto rationalizing of a sentiment which had its origins in alarm over the biological and more particularly the genetic effects of large scale hydrogen tests. While the present British attitude indicates that there is some substance to the view that a ban on large scale tests would inhibit production as far as non-thermo-nuclear powers are concerned, it is at least doubtful that the prohibition or limitation of tests would seriously impair the weapons programmes of the United States or the Soviet Union. On the other hand, it would appear that to some extent and at any rate temporarily a complete prohibition of tests would assist in dealing with the "Fourth-Country Problem".[85] However, although competent scientific advice in this matter must still be sought, it seems reasonable to suppose that the protection against the emergence of new nuclear powers afforded by such means would be of diminishing value with the passage of time.

Political Advantages of a Limitation Agreement

The foregoing considerations could be somewhat elaborated but perhaps sufficient has been stated to suggest that a limitation on nuclear tests or even their prohibition is not likely to make any appreciable practical contribution to the elimination of either the possibility of atomic warfare or the potential biological hazards of radiation.

However, arguments of this nature are of little avail in the public domain. The very real fact remains that there is widespread alarm about radiation and particularly about radioactive fall-out. That alarm is unlikely to be allayed by closely woven reasoning. Some kind of action is required and it can be effective if it is directed to the root of the alarm, namely large scale hydrogen explosions.

An agreement on the limitation of the size and frequency of test explosions would hardly fail to have a great psychological effect despite the absence of any real practical purpose. It cannot be contested that at the present time the Western Powers are on the propaganda defensive in this matter. The attack has been pressed with increasing vigour by the Asian and African groups in the United Nations as well as by the Communist members. A majority of the new members may be expected to adopt similar attitudes. With the passage of time a negative policy seems likely to enjoy waning popularity and support which ultimately may be confined to the NATO members, and perhaps not all of them, the "old" Commonwealth members, some Latin American States such as Brazil and Cuba and a few scattered others. Should the matter be raised in the General Assembly in the form of a specific agenda item, it is quite possible that the majority would endorse a recommendation in favour of the complete prohibition of tests. This is a factor to be taken into account in considering whether a policy favouring a limitation agreement, even in isolation, may be desirable.

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[85] Ce passage a trait à la préoccupation au sujet de la prolifération de la technologie nucléaire. Voir aussi le document 735.
This is a reference to the concern over the proliferation of nuclear technology. See also Document 735.

There is in addition the prevalent attitude that disarmament can advantageously be approached through a series of partial agreements. Once embarked upon this course, as we are now, it does not seem wholly appropriate to hold to a position for alleged bargaining purposes (which may be less real than imaginary) if there are no inherent objections to a particular agreement.

Objections

Against such a policy the principal arguments are that the United Kingdom, for reasons given below which may be temporary, and the United States, for less clear reasons, are opposed. Both assert, with slight variations, that an agreement on limitations is acceptable only in the framework of an agreement which would also prohibit the production of additional nuclear weapons and provide adequate controls. The burden of their argument is that in the absence of a broad agreement on nuclear weapons, they are forced to work on their development in the interests of their own security and that of their allies and of the non-Communist States in general. A question which doubtless only they can answer to their own satisfaction is whether a limitation on the size and frequency of the test explosions which would satisfy the Afro-Asian alarm would materially affect their weapon development programmes. Having drawn a conclusion in this matter, they would then have to judge whether whatever effect was involved was sufficient to justify opposition to substantial and growing criticism in and out of the United Nations. We should perhaps reflect upon whether it may be desirable to raise these considerations with them with a view to a better comprehension of the basis of their positions.

It may well be the case that neither the United States nor the Soviet Union would find themselves greatly inconvenienced by a limitation now on the size and frequency of explosions. However, the United Kingdom Government have repeatedly made clear their determination to proceed with an hydrogen bomb test in the coming year. It is a matter for consideration whether it would be desirable for Canada to pursue a course which would have the appearance of tending to frustrate that policy.[86] However, this inhibition may well cease to have importance after the British experiment and the British may be prepared to anticipate their own success.

Canada has, of course, ample area for the conduct of even substantial explosions. However, a limitation agreement which aimed at confining tests to the metropolitan territories, which might easily turn out to be the desire of the South-Asian group, might cause considerable embarrassment to the United Kingdom and perhaps France which we would wish to avoid.

From the strictly Canadian point of view, the general position of the combined Chiefs of Staff is that in the absence of a comprehensive agreement on nuclear weapons, it is not advisable to foreclose the possibility of Canada developing and producing nuclear weapons. A partial agreement which prohibited further production without providing satisfactory guarantees against sudden attack would make us dependent on the United Kingdom and the United States for the supply of what may shortly become the mainstay of aerial defence. It is not inconceivable that Canada may wish to experiment with small-scale nuclear weapons for interception. These considerations do not seem to constitute a direct reason why Canada should have objections to a limitation on test explosions which was directed towards regulating their size and frequency.

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[86] Voir aussi, Chapitre 4, 3^{e} partie, section c(iv).
See also Chapter 4, Part 3, Section c(iv).

The Problem of Control

The techniques of detection are perhaps not adequate to ensure that all minimum explosions are registered but they are certainly satisfactory in the upper ranges. Thus there would be no technical difficulty about the bases for control. Specifications relating to the size and frequency factors could be established in the light of data collected by the United Nations Scientific Committee.

It occurs to me, furthermore, that an agreement providing for the limitation and regulation of nuclear tests might call for the setting up of some kind of an agency to serve as a clearing house for notices concerning further tests and for reports as to compliance with the provisions of the agreement. In order to avoid discussions whether a particular test had been within agreed limitations it may be necessary to provide for independent measurements to be made or, if this is not practicable, for some scheme whereby both sides could be satisfied that such tests as had been carried out had not violated the provisions of the agreement. Thus Soviet scientists might be allowed to observe U.S. tests and vice versa. It is possible therefore that an agreement on the limitation and regulation of tests might enable us to make a modest start in setting up some kind of control machinery either bilateral or multilateral. This is a point which we propose to explore farther with service and scientific experts if you agree.

As to U.K. plans for additional tests, it is possible that before an agreement could be negotiated on limitation and regulation, their current programme calling for large scale explosions may have been completed; if not, the agreement could presumably allow for one or two exceptions to the specified maxima on the grounds that the U.K. should be allowed to protect their investment and that one or two more large scale tests would not seriously increase the radiation danger.

The important point to bear in mind and one which I wish to stress particularly is that, unless the manufacture and use of nuclear weapons can be prohibited — and this could not be done unless most elaborate control and inspection machinery could be set up — a complete ban on nuclear tests would allow an unscrupulous State to improve its present weapons of mass destruction by carrying out small scale tests which cannot be detected. For this reason, and until agreement can be reached on the elimination of nuclear weapons, the U.S. and the U.K. have to be allowed to pursue their weapons research and development if they are not to be caught by surprise. Our proposal is merely therefore that this process should be kept within certain bounds which are susceptible of control, bearing in mind popular concern over the effects of large scale explosions.

Conclusions

To sum up, there appear to be more advantages than disadvantages to a policy of support for an agreement on limitation of test explosions in respect of their size and frequency. The timing of any announcement to this effect, however, could advisably be postponed until the United Kingdom have conducted their experiment unless pressure should arise in the General Assembly, in which case the timing might well require reconsideration. In the interim, if you agree that the political advantages envisaged justify such a course, we would seek the detailed views of the Combined Chiefs on the military aspects and scientific opinion as appropriate. Should the response from these sources be along the lines we now anticipate, it might then be proper to seek to persuade the United Kingdom and the United States to modify their position that an agreement on limitations is acceptable only in a broader framework.

J. L[ÉGER]

378. DEA/50271-B-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], October 5, 1956

LIMITATIONS ON NUCLEAR TESTS

The Chiefs of Staff Committee on October 3 considered recommendations concerning limitations on nuclear tests and as a statement of national defence policy agreed:

(a) That, inasmuch as the defence of the NATO Area is dependent on the use of atomic weapons, Canada should support the continuance of the minimum tests necessary to ensure that the use of these weapons will be effective; and that there may be a requirement in the foreseeable future for the testing of such weapons by or on behalf of Canada for use in the defence of North America. It is unlikely that the testing of such weapons by or on behalf of Canada in the next five years would substantially increase the amount of radioactivity present in the atmosphere.

(b) That an annual world limit for atomic test explosions would be acceptable provided any such limit meets the defence requirements of NATO without endangering public health throughout the world. Information available in Canada indicates that it may be possible to set an annual world limit which would meet these two requirements.

(c) To the principle of each nation reporting at a reasonable length of time beforehand to an international committee the time, place and expected yield of all atomic explosions; and to the committee checking subsequently to the best of its ability on the accuracy of the report.

This paper was considered at an informal and exploratory interdepartmental meeting on October 5 between External Affairs, National Defence and National Health and Welfare with a view to initiating the development of recommendations for an agreed Canadian policy. While nothing firm emerged from this meeting, the reasons for the absence of concrete result are of substantial interest.

It became much more clearly understood that quite apart from the international political pressures in favour of the prohibition or at least limitations of test explosions, there may well be a case on medical and general health grounds for early action on test explosions. The technical considerations which support this view are necessarily tentative, incomplete and controversial. The variables relate both to estimates of the quantities of radioactive products which have been added to our environment by test explosions and to opinions on the levels at which either the somatic or the genetic hazards become serious. However, it would appear that according to the more conservative views, i.e. those which set the quantity of radiation added at a high figure and the danger threshold at a low figure, the point has already been reached at which nuclear explosions should cease. Even the more "optimistic" group would set this point only a few years in the future. Such judgements are, of course, based on the thesis that *any* adverse effects on human beings, whether present populations or future populations, should be avoided.

National Health and Welfare would prefer not to adopt a position immediately on these matters. During the next three or four weeks there will be a series of conferences — of Commonwealth experts in London beginning on October 9, of the United States, the

United Kingdom and Canada in Washington about October 18 and of the United Nations Scientific Committee in New York beginning on October 22. All these conferences are concerned with the effects of radiation and it is hoped that from them will emerge fresh and more soundly-based estimates as a result of a pooling of data and their common evaluation.

The root of the National Defence position is that only atomic weapons, perhaps of a very large size, can provide effective defences for Canada against certain forms of atomic attack now in process of evolution. More generally, they have in mind the need to maintain the continuing effectiveness of the deterrent in the hands of the United States and the United Kingdom. For both these reasons they consider that Canada has an interest in the continuance of tests on the necessary scale. And because of the lack of original Canadian data on the effects of nuclear explosions, they are inclined to think that we should go along with any specific recommendations from the United States and the United Kingdom.

National Health and Welfare appears to have had in mind the need, in approaching a policy on test explosions, to take into consideration the requirements of other departments, especially National Defence. One result of the meeting was to give them a better appreciation of the problems confronting the Chiefs of Staff in this matter.

National Defence apparently hitherto have regarded limitations on tests as having no appreciable intrinsic merit from the point of view of any necessity to safeguard general health in Canada and the world at large. They seem to have thought that the only pressures which had to be met were in the international political sphere. The meeting appeared to impress them with the need to give greater consideration to radiation hazards as a proximate problem in framing their policy. Thus point (b) in the conclusions of the Chiefs of Staff may be reconsidered by them when there is more complete information available.

We hope to review the question in November in the light of the information emerging from the various technical meetings on radiation. In the interim, it would be difficult to frame a general statement on limitation which would go beyond what you have already said publicly and even more difficult to participate in any detailed negotiations. However, our most recent information on the intentions in Washington and London does not suggest that there is likely to be any consultation among the Four Powers on disarmament prior to the General Assembly. The delay may therefore be acceptable. It should still be possible to evolve a reasonably specific policy endorsed by all the departments concerned before the beginning of the Committee discussions on disarmament in the General Assembly.

R.M. M[ACDONNELL]
for Under-Secretary of State
for External Affairs

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379. DEA/50271-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly, to Secretary of State for External Affairs

TELEGRAM 1342 New York, November 20, 1956

CONFIDENTIAL. IMPORTANT.

Reference: London Tel 1632 Nov 20.†

Repeat London, Washington, Paris, NATO Paris (Information).

DISARMAMENT

Ivor Pink of the UK Delegation mentioned to us today the brief discussion on disarmament which has taken place in Washington between the UK, the USA and the French and gave us the text of the memo quoted below. He stressed that this memo represented at the moment only his own views since he had not yet had an opportunity to have it considered by the Foreign Office or by the Foreign Secretary. He said that the USA Delegation has agreed to a UK request for further discussions on disarmament in the near future in New York. Such discussions would include the USA, France, UK and ourselves. Following is the text of the memo mentioned above.

As a result of Anglo-American discussions in Washington on November 19 the State Department have suggested that Western comments on the Soviet statement of November 17 on disarmament should be coordinated between delegations in New York.

It is therefore suggested that in any speeches by ministers or statements by the delegations of Canada, France, USA and UK, the following points might be covered.

1. The Western Powers are always ready to consider any constructive disarmament proposals. The proper place for such discussion is the specialist bodies established by the UN for this purpose — the Disarmament Commission and its Sub-Committee. Experience last year at Geneva does not suggest that high level conferences, such as are now suggested by the Soviet Government, are likely to prove effective.

2. The new Soviet statement is a transparent attempt to divert attention from brutal repression of the Hungarian people's bid for freedom. This is shown by the way their disarmament proposals are sandwiched in the middle of a long statement composed chiefly of threats and propaganda.

3. There is not much that is new in the Soviet proposals. For the most part they are "the mixture as before". They are obviously designed to disrupt NATO while making no attempt to remove the political tensions which have made such defence organizations necessary.

4. The hypocritical nature of the proposals is shown by the revival of the demand for the elimination of the world's stockpiles of nuclear weapons, following closely on the announcement of another Russian test explosion. The Russians know that this is quite unrealistic so long as there is no known method of detecting hidden stocks of nuclear weapons.

5. The only step forward is the grudging acceptance of the principle of aerial inspection as part of the system of control. But the Russians only say that they are "prepared to consider the question of employing aerial photography" within an area 800 km east and west of the present demarcation line in Europe "provided the countries concerned give their consent". Since the USA and the Soviet Union would be outside the area, as defined by the Soviet statement, this plan would provide no guarantee against a surprise attack, which was the purpose of the original proposal as put forward by President Eisenhower in Geneva. It would also seem designed to perpetuate the present division of Germany and of Europe. In any case, this suggestion only forms part of a package deai containing other totally unacceptable elements.

6. Apart from the apparent concession on aerial inspection, the Soviet statement is as vague as ever on the crucial question of effective international control. Nov30/56. Ends.

380. DEA/50271-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs

TELEGRAM 1359 New York, November 21, 1956

SECRET. IMPORTANT.
Reference: Your Tel V-876 Nov 20† to NATO Paris and our Tel 1342 Nov 20.
Repeat Washington, London, Paris, NATO Paris (Information).
Repeat Bonn from London.
By Bag Delhi from Ottawa.

DISARMAMENT: SOVIET PROPOSALS

Soviet disarmament proposals as published in *New York Times* November 18 have now been circulated by Soviet Delegation as an Assembly document and will no doubt form basis of Shepilov's statement in general debate within next few days.

2. As a result of consultations in Washington and New York plus NATO consultations in Paris, Western Delegations here may shortly have basis for a common line in discussion with press and other delegations. While we appreciate difficulty for UK and French delegations in reacting moderately to Soviet propaganda attacking their actions in the Middle East and threatening Western Europe, we would still prefer a less belligerent expression of Western position than that contained in UK draft given us by Pink (our telegram under reference).

3. From our soundings of delegations here we are convinced impact of Soviet proposal should not be under-estimated. We shall have to explain our case carefully if we are to avoid Soviet rebuttal that every time they make an advance towards positions previously taken by Western Delegations, we retreat. Although only aerial inspection part of Soviet proposal is much of a concession, and their package as a whole is unacceptable, they will present their proposals as middle alternative to previous "all or nothing" approach. Senior Soviet member of Secretariat yesterday told Frey of Secretariat that their proposal was a response to Moch's appeal at July 10 meeting of Disarmament Commission for some kind of partial scheme. Moreover, records of Geneva Conference last year can be cited to show Eden's support for demilitarization and reciprocal inspection of Central Europe on either side of East/West line and USA interest in a European security system linking some NATO and Warsaw Pact Powers. Privately we can also recall USA consideration of similar ideas last spring.

4. However we interpret significance of arrogant Soviet threats in preface to their disarmament proposals, they recall to many delegations here the revival of the Molotov touch. They do not want the world to mistake their disarmament proposals as indicating weakness in their position but underline the fact they hold a shotgun at Western Europe, balancing the strategic air command threat to their heartland.

5. One substantial advance in their position is acceptance of limited aerial inspection in addition to other measures of control (cross roads inspection, etc) which they proposed some eighteen months ago. It is, however, unclear when, as well as where, aerial and other inspection would be introduced, i.e., at beginning, middle or end of two year period.

6. Emphasis on liquidation within two years of foreign bases is in line with old proposals but calculated to have wide appeal at present Assembly, especially to enlarged Afro-Asian group. We take it that their proposal would require withdrawal of foreign forces from Germany and Eastern Europe within two years. Once again they seek neutralization of Germany without reunification and exert pressure for westward withdrawal of NATO forces to parallel any eastward withdrawal of Soviet forces from satellites they may have to carry out in accordance with October 30 policy declaration and precedent of Polish-Soviet accord. Obvious implication is readiness to consider a European security treaty involving NATO and [EETO] countries under which security guarantees could be exchanged as requested at Geneva and in Soviet reply to German note of September on reunification. Perhaps complementary Soviet proposals on German reunification will follow before next year's elections in Germany. (German Delegation's reactions are being reported separately).

7. Even if Soviet Summit Conference proposal is rejected, we may anticipate a Soviet or Indian inspired move in the Assembly to add India to the Disarmament Subcommittee. Our only feeling here at present is that we should leave the pros and cons of this debate to others. From what USA/UK Delegations have already said to us, they would clearly wish Canada to remain a member of any enlarged subcommittee which might have to include not only India but a Latin. Canada would be in a very difficult position if India were added to the Subcommittee and from our own point of view it might be better if we withdrew in favour of India, but I see little point now in crossing these bridges and still less point in worrying about keeping Canada on the Subcommittee for prestige reasons. We can surely take the position that at the present stage of disarmament negotiations it is preferable to keep them within the UN framework in spite of Russian efforts to transfer them elsewhere.

8. Apart from our public position, the most urgent question is to produce some positive Western alternative proposal instead of merely pointing out loopholes and shortcomings in the Soviet proposal. I think, if you agree, we should make representations in Washington immediately in this sense. The USA must bear the prime responsibility for bringing forward concrete new proposals. In view of our need of USA support on Middle Eastern and other urgent matters, we should not press them too hard on what is for the moment a secondary question, but I hope they are working on it and it may be helpful to those in Washington, who feel as we do, if we let them know how we feel.

9. With reference to Washington's telegram 2117 November 20,† we think it is probably too late to pursue bilateral consultations as planned. It might be more effective for a USA/UK/France/Canada working party to consult in New York, as agreed by the UK and USA Delegations, or in Washington if senior people are more available there.

[L.B.] PEARSON

381. DEA/50271-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly, to Secretary of State for External Affairs

TELEGRAM 1360 New York, November 21, 1956

SECRET. IMPORTANT.

Reference: Our immediately preceding Tel 1359 Nov 2[1].
Repeat Washington, London, Paris, NATO Paris (Information).
Repeat Bonn from London.

A NEW LOOK AT LIMITATION OF NUCLEAR TESTS

It is, I think, a pity, especially in the light of Soviet proposals, that Western Powers cannot quickly agree to ban or at least limit tests. Our info here is that UK and French Governments would be prepared to limit tests for at least a year along the lines of Nutting's statement in July and mine in August.[87] It seems fairly well established that USA Government had planned to announce some such proposal until Stevenson outbid them in the presidential campaign but it may be possible for them to go back to it before placed on defensive by India, Japan (if she is admitted) and Afro-Asians generally, who will demand abolition of all tests and cite strontium 90 worries as India has done already. I therefore propose to refer to this question in my general debate speech along lines of notes prepared in the department.[88]

2. I realize of course Canada cannot take the lead in this matter but I also feel that it would be irresponsible of us to remain passive much longer merely to avoid embarrassing the USA.

[L.B.] PEARSON

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382. DEA/50271-A-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELEGRAM V-1453 Ottawa, November 26, 1956

SECRET. IMPORTANT.

Reference: Your Telegrams 2117† of November 20 and 2130† of November 21 and Candel Tel 1359 of November 21.
Repeat Candel New York, London, Paris, NATO Delegation (Information).

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[87] Voir Canada, Chambre des Communes, *Débats*, 1956, volume 7, p. 7028.
See Canada, House of Commons, *Debates*, 1956, Volume 7, pp. 6791-6792.

[88] L'intervention générale dans le cadre du débat a été effectué par Roch Pinard le 5 décembre, 1956. Voir Canada, ministère des Affaires extérieures, *Affaires Extérieures*, vol. 8, N° 12, décembre 1956, pp. 406-409.
The general debate speech was delivered by Roch Pinard on December 5, 1956. See Canada, Department of External Affairs, *External Affairs*, Vol. 8, No. 12, December 1956, pp. 395-399.

DISARMAMENT

You will have seen the Minister's opinion in Candel Telegram 1359 about the urgency of producing some positive Western proposal, you should make immediate representations as he suggests. It seems to us that in effect this will amount to adducing these fresh reasons for the United States informing the other Western members of the Sub-Committee of the general contents of their plans even if the detail has yet to receive final adjustment and approval. You might also observe that information on the United States plan might easily have an important bearing on the Minister's remarks on disarmament in his main statement in the General Assembly.

2. It seems to us that the principal point is that the Soviet Union once again has succeeded in seizing the initiative in disarmament at least from the propaganda point of view. Disarmament undoubtedly is a secondary issue as compared with the Middle East and Hungary but in our opinion it ranks high after them. We think it important that a clear indication soon be given that the Western Powers are preparing proposals. However, we would hope that such an announcement could be followed shortly by action and for this reason we are anxious to see the proposals before such an announcement is made. We are becoming increasingly apprehensive that the United States may judge it expedient to present their proposals in the Assembly before there is an opportunity of receiving their partners considered reactions. Quite apart from the tactical difficulties in the subsequent disarmament discussions which might result from such action there is the broader consideration of the additional setback which would be given to the restoration of general Western solidarity.

3. The idea of a series of bilateral talks may have to be discarded at this stage. We would accept immediately any system of consultation which might be proposed to begin exchanges of view without delay. This attitude applies also to the question of location but we can see advantages in making New York the center.

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383. DEA/50271-A-40

Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Delegation to United Nations General Assembly

TELEGRAM V-658 Ottawa, November 27, 1956

SECRET. IMMEDIATE.
Reference: Your Tel 1360 of November 21, 1956.
Repeat London, Washington, NATO Paris, Paris (Information).

LIMITATION OF NUCLEAR TESTS

As you know we have been trying for some months to evolve a positive policy on nuclear tests. We have been handicapped seriously in two ways. First National Defence has been unable to make an appreciation on its own account as to how pressing the military necessity is to continue tests on either thermonuclear or atomic weapons. In this respect they and we in turn have had to rely largely upon the statements unsupported by full access to the technical facts available to the United States and the United Kingdom. Secondly Health and Welfare has had to base its advice to us on incomplete evidence and conflicting judgment of authoritative scientists regarding the degree of the immediate health and future genetic hazards. We had hoped for helpful guidance from the material collected by the United Nations Scientific Committee but their data still seems inadequate for drawing firm conclusions.

2. Our point of departure has been Minister's statement in the House. There is also the existence of wide political demand concentrated in but not confined to the nations of Africa and Asia that the hazards inherent in nuclear tests be eliminated. It seems to us that it is reasonable and defensible to maintain our position that the total abolition of tests can only be brought about as a part of a broader disarmament agreement. Having in mind the absence of any attempt on the part of either the Asian or Communist members to draw political conclusions in the Scientific Committee we are inclined to think that a proposal that priority now be given to the discussion on a limitations scheme might go far to meet this general demand.

3. With regard to making suggestions as to the nature of a limitations agreement we doubt that there is enough firm information available to form a judgment. However if you think it desirable to give some indication of what might be a reasonable objective we suggest you might mention the possibility of the atomic powers setting as a self-denying ordinance some annual or other periodic limit on the volume of radiation to be generated, perhaps as an interim measure which could be reviewed after a few years in the light of the data on radiation hazards which the United Nations may by then have gathered. For the present we would be reluctant to advise any less indefinite statement.

4. We think that a suitable statement might be phrased along the following lines. "Although we have received from the Scientific Committee the Assembly established last year whatever comfort we can draw from the absence of alarming conclusions on its part, it does not seem to me that we would be justified in regarding the future with equanimity. In my view the United Nations should give close attention to the question of nuclear tests and I can assure you that we will seek to ensure early and serious consideration of the matter. It seems to me that any agreement is likely to partake of the nature of a compromise. We must be guided by two considerations: we must try to meet whatever may be competently estimated as the requirements of the objective scientific situation and we must enable the needs of defence in a dangerously divided world to be given reasonable satisfaction. Because both of these are indefinite quantities there can for the present time be no facile and final solution. And I do not think we can hope to find a satisfactory arrangement, even of a temporary character, which fails to take into account either consideration. So long as the nuclear powers continue to conduct tests at their own discretion there will be widespread agitation to change the situation, but so long as the proposed solutions exaggerate the importance of one of these two factors and wholly neglect the other they are unlikely to provide an acceptable basis for negotiation. If we consider what we may hope to achieve in present circumstances, I think we may all conclude that we should try to help the nuclear powers in the first instance to agree that they should set, as a self-denying ordinance, some annual or other periodic limit on the volume of radiation to be generated by test explosions. There would have to be some agreed method of allocating quantities between the powers concerned. To maintain confidence there would also have to be some arrangements for notification of the proposed tests and for their verification — and this need not in my view give rise to insuperable difficulties. A system along these lines might serve for the near future during which it might be reviewed from time to time in the light of the data on radiation hazards which the United Nations Scientific Committee will be gathering. It would be my hope that in due course this interim measure would be supplanted by a disarmament agreement which would deal in a more definitive way with nuclear weapons as well as other aspects of disarmament."

5. This text has been read to National Defence and Health and Welfare and has their concurrence.

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384. DEA/50271-A-40

La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Delegation to United Nations General Assembly
to Secretary of State for External Affairs

TELEGRAM 1459 New York, November 28, 1956

CONFIDENTIAL. IMMEDIATE.
Reference: Our Tel 1457 Nov 27.†

NORWEGIAN PROPOSAL RE LIMITATION OF NUCLEAR TESTS

You may wish to take up the Minister before his return to New York the question of whether he might give positive support in his own statement in the general debate to Mr. Lange's proposal yesterday for registering and perhaps limiting nuclear tests.

2. We had already received from the Department notes for the Minister's statement which in some respects go further than Lange although they are less specific as to the reasons which impel us towards limitation of tests. Lange is only suggesting as a first step UN registration, presumably so that major explosions would not accidentally coincide. However, he hints at scientific worries that strontium 90 may be cumulative in vegetation and therefore in human food. These worries which I believe are being examined by Canadian experts now, would add weight to the case for not only registering and spacing out test explosions but limiting them to an agreed maximum yield where fall-out is likely. Such a proposal might at least be put forward as an extension of Lange's suggestion, with the idea that the powers concerned give it a try for a limited period of say one year.

[J.W.] HOLMES

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385. DEA/50271-A-40

Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Delegation to United Nations General Assembly

TELEGRAM V-663 Ottawa, November 30, 1956

CONFIDENTIAL. IMPORTANT.
Reference: Your Telegram 1459 of November 28.

LIMITATIONS ON NUCLEAR TESTS

I have discussed your suggestions with the Minister. He agrees that more specific references to the scientific reasons for proposing limitations are likely to lead to extensive and inconclusive debate between non-experts. You will note in my memorandum of November 24† to the Minister, of which a copy was forwarded by Cadieux to Holmes, that competent scientific opinion is on the whole less alarmed now than it was a few months ago. This was the Department's impression throughout the discussion on November 23 with the radiation experts who also in their summing-up stated specifically that this was the case. However, we are doubtful of the desirability of doing more than pointing to the absence of conclusions on the part of the United Nations Scientific Committee. This seems to us to void the argument that immediate prohibition is required for health and genetic reasons. It sets the stage for the acceptance of limitations as a prophylactic which they were unlikely to receive if offered as a palliative.

2. A trial period of a year seems to be unduly short. The planning and preparation of tests is a lengthy procedure which might take longer than such a trial period. Our idea is to link up limitations as an interim measure with a later agreement on disarmament. In principle this seems preferable to an isolated arrangement.

3. The Minister's view is that it would be desirable to hold to the main lines laid down in our Telegram No. 658 of November 27. Those notes should, however, be adjusted to fit into the context of the debate with suitable references to Mr. Lange's remarks. Our draft strikes a balance between what the Defence and Health authorities regard as desirable which satisfies them both. Any considerable departure from the substance of those notes and in places even the adjustment of the adjectives might make advisable a new discussion of the text with those two departments.

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386. DEA/50271-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 2259 Washington, December 7, 1956

CONFIDENTIAL. IMMEDIATE.
Reference: Para 1 of our 2191 Nov 30.†
Repeat Candel New York, London, Paris, NATO Paris (Information).

DISARMAMENT

At the request of Matheson, Governor Stassen's Special Assistant in the field of disarmament, we called at the Executive Offices today and were given copy of an informal memo which reads as follows:

"The USA is prepared to consult with Canada with the objective of reaching agreement on a further initiative in the disarmament field. Such initiative should include both conventional and nuclear armaments.

(1) The importance of providing against great surprise attack is a continuing feature of USA policy. The USA is prepared to negotiate the *progressive installation* of an inspection system with air and ground components, and each step of such an installation should add to the mutual security against great surprise attack. This is considered to be of special importance to the North American continent in safeguarding against the direct outbreak of major war. In conjunction with the progressive installation of such an inspection system the USA is prepared to make concurrent initial reductions in conventional armaments to the first stage force level of 2 1/2 million and 750,000 as a basis for measurement.

(2) Under a disarmament system the USA further suggests that an effort be made to assure that projecting objects through outer space would be exclusively for scientific and peaceful purposes. Toward this purpose tests of such projection should be reciprocally opened to international participation and an inspection system to verify the fulfillment of the commitment should be included.

(3) In the nuclear field it is suggested that a target date be proposed to the USSR after which, under effective inspection and control, future production of fissionable materials would be used or stockpiled exclusively for non-weapons purpose under international supervision.

(4) States possessing nuclear weapons would make transfers of agreed equitable and proportionate increments of fissionable materials in long term sequence from previous production over to international inspection and supervised non-weapons purposes, as an integral part of the arrangement contemplated in para (3). Thus it would be contemplated that the total of nuclear weapons stockpiles in the world would be gradually reduced and the nuclear threat would be lessened.

(5) Subsequent to the agreement and implementation of paragraphs (3) and (4), inseparable therefrom, and under an inspection system to assure the fulfillment of the commitment, both nuclear and thermonuclear test explosions would be limited and controlled."

2. Matheson explained that copy of this informal memo had been given to UK Embassy officials here yesterday, and to the French, each of whom had been asked to secure their government's comments and to be prepared to discuss the substance of the memo on a bilateral basis with the USA authorities at an early date. The UK discussions may be speeded up by the fact that Ivor Pink, who is with the UK Delegation in New York, is at present in Washington and will be discussing this informal memo with Stassen's group.

3. Matheson said that Mr. Stassen, who is primarily responsible for the conduct of these negotiations, had not come to a final decision about future procedure, and has thought it best to leave this matter open for exploration with the other three Western members of the Subcommittee. It is, therefore, hoped that in addition to any questions or observations on the informal memo which we may wish to put forward, and in addition to any new proposals of our own in this field, we will also discuss in the first instance with the USA the procedural aspects of the problem. We drew Matheson's attention to the recent discussions in New York (Candel Telegram 1539 December 3)† and indicated as a personal view, that a decision with respect to procedure could best be taken in the light of knowledge of the basic USA position. Matheson said that no final decisions on the USA side had been taken on either the timing of the next meeting of the Disarmament Commission or as to whether or not such a meeting should be preceded by a meeting of the Subcommittee. They would welcome our views on this point, as well as a substance.

4. Matheson was under instructions from Governor Stassen not to discuss the detail of the informal memo until the government's concerned have had the opportunity of studying the paper and the substantive discussions which the USA would like to hold here in Washington can take place. His only comments were to underline the phrase "progressive installation" in subparagraph (1), the reference to a proposal for a specific target date in subparagraph (3), and to emphasize that the provisions of paragraph (5), while regarded as "inseparable" from agreement and implementation of paragraphs (3) and (4), was not dependent on the full implementation of paragraph (1). Matheson commented on the Norwegian proposal for limitation of tests by saying that it was still the USA view that limitation proposals should only be put forward if they did not serve to mislead public opinion and if it could clearly be demonstrated that they would not mean any reduction in

security. Perhaps the most interesting point in the memo is paragraph (2) relating to the control of the use of and testing of "projecting objects through outer space", presumably an obscure reference to the problem of missiles, including the ICBM.

5. Apart from this point which is new and important, our first reaction is that the lengthy labours of the USA authorities in this field have produced surprisingly little. You will, however, wish to examine these proposals in detail, and when your comments and views have been formulated, I think it would be useful to consider sending a qualified department representative from Ottawa or from New York to Washington for the substantive discussions which are envisaged.

6. We shall keep in touch with the UK and French Missions informally on this matter.

[A.D.P.] HEENEY

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387. DEA/50271-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM VV-5 Ottawa, December 12, 1956

SECRET. IMPORTANT.

Reference: Your Telegram 2259 of December 7 and 2270† of December 10.

Repeat Candel New York, London, Paris, NATO Delegation (Information).

DISARMAMENT

Our examination of the United States proposals in the department and in the working group has raised several questions, the answers to which will affect our ultimate position. General queries are whether this informal memorandum is to be understood as presenting a first stage proposal or all the disarmament measures which the United States expects to consider in the foreseeable future; whether the five points constitute a package; and whether there are supplementary papers to be received along the lines of the "resolutions to be adopted" and "things to be signed" mentioned in Permis Telegram 662 of August 29.†

2. Our broad reaction is that the proposals are unimpressive. It seems to us that whether the criterion is negotiability or propaganda value, they leave considerable room for improvement.

3. Most of the merits of the scheme from the point of view of negotiability seem to be concentrated in the first point. Since the submission of the Eisenhower proposals we have inclined to the opinion that there was only a remote possibility that the Soviets could be persuaded to agree to mutual aerial reconnaissance unconnected with measures of disarmament which they consider important. We therefore welcome the readiness to link up the aerial inspection system with disarmament measures.

4. It is not clear whether both the air and the ground components of inspection would be required from the outset. We can see a political advantage if the time of the beginning of aerial inspection is intended to be negotiable. We have in mind that it might be dispensable in the initial period when information on forces, military installations, etc. would be exchanged prior to the beginning of reductions. We are as anxious as any to see aerial inspection begun and therefore would regret what may be an unnecessary insistence on its

being the very first measure which might prevent its attainment at all. It seems to us that the Western Powers should consider whether they could be satisfied if flights unrestricted as to area and frequency could be achieved by the time the first stage force levels were reached. Possibly an intermediate stage could be along the lines of the Soviet proposal for aerial inspection astride the dividing line in Europe. We assume that the United States will insist on verification from the outset of the size of forces, armaments and budgets and of their reduction through ground inspection of the "objects of control" and that they will wish a ground control post scheme to be in operation at an early date. We would think it proper to continue this insistence on the effective positioning of ground inspection officials before any reductions are begun and perhaps before any disclosures are made. In their March 27 proposals the Soviets seemed to concede this point.

5. It does not seem easy to devise any very precise relationship between the progressive installation of the inspection system and the execution of the first stage reductions. We wonder whether the United States envisages something more elaborate than setting a period for the development of the control system according to specified phases and providing that by the end of the period the agreed force levels should be reached.

6. These are the main questions which occur to us in connection with the first point of the memorandum. We consider the progressive concept to be a practical one which could be developed into useful and negotiable specific proposals. However, we would like to be given rather more detail of what the United States has in mind.

7. The meaning of point two was obscure until your telegram 2270 arrived. One remaining question is whether artificial satellites are intended to be included as well as the ICBM. We also wonder whether this point is an essential component or only an additional suggestion which might be negotiated separately. We are doubtful of the desirability of making a first stage agreement dependent upon the settlement of this new problem. However, it appears to be a matter on which we could hardly raise objections if the United States, the United Kingdom and the Soviet Union were prepared to agree.

8. In approaching points three and four we must pay due attention to the implications of the views held in National Defence as to the possible future needs of the air defences of Canada. On these points also much will depend upon the sort of detailed scheme which is contemplated. The approximate timing envisaged for the target date is regarded in National Defence as being of critical importance. Another factor is whether provision would be made out of existing stockpiles by the United States for nuclear weapons to be made available to Canadian operational control if the need should arise.

9. The scheme appears to offer one procedure for bringing about a substantial reduction in the stockpiles of nuclear weapons. However, it seems to us that it is likely to impress the Soviets as designed to prevent them from overtaking the nuclear lead of the United States and to retain throughout the indefinite period of the agreement the present relative superiority of the United States. This kind of reflection leads us to wonder whether a scheme for proportional reduction in the nuclear field will be any more palatable to the Soviets than the Soviet proposals for proportionate reductions in armed forces were to the West. The logical consequence of this thought is to wonder whether the United States has already considered and rejected the possibility of a system of levels for nuclear stockpiles comparable to the system of levels for armed forces and whether they have a position based on such concepts prepared to which they could retreat, thereby making the show of a concession.

10. In the working group it was suggested that as point four raises so many problems for the defence authorities, assuming that the reduction programme is intended to be continued

until a low level is reached, and since in its present form it seems likely to be rejected by the Soviets, consideration might be given to omitting it or at any rate to modifying its terms.

11. As you are aware, we are not convinced of the necessity to make limitations on test explosions dependent upon agreement on other measures in the nuclear field or even in the conventional field. We continue to hold that the complete cessation of tests requires a broader framework. However, perusal of the public statements of the United States authorities, including the White House release which you summarized in your telegram 1917 of October 25,† does not reveal any persuasive arguments showing that limitations cannot safely be considered separately and in advance.[89] The United States views on this matter conveyed in paragraph four of your telegram 2259 appear to us to reflect an approach which is the opposite of that which we consider advisable and even necessary. It seems to us that the onus lies on the United States to show that a limitation agreement standing alone would mislead public opinion and lead to a reduction in security. In brief, the conditions for limitations laid down in point five do not seem to us to be either necessary for security reasons or desirable for political reasons.

12. These are our preliminary comments. However, there is a general need for clarification and we would wish to give our position a comprehensive review after you have secured further detail.

13. To assist in preparing for your discussions with Stassen's office Captain Ellis is ready to proceed to Washington. You will also note from Candel telegram 1646 of December 10† that an officer will be available from New York. Would you, therefore, ascertain about when our phase in the bilateral talks is likely to begin.

14. On review this telegram appears to convey a more negative attitude towards the United States proposals than is the case. They do seem to contain points which correspond to some in recent Soviet proposals. Moreover they appear to give emphasis throughout to the progressive concept and to avoid rigidity in the order of events. We are hopeful that their clarifications will show that a useful common initiative can be launched on this basis.

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388. DEA/50271-A-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to United Nations

TELEGRAM VV-18 Ottawa, December 14, 1956

CONFIDENTIAL

Reference: Your Telegram 1675 of December 11.†
Repeat Washington, London, Paris, NATO Delegation (Information).

DISARMAMENT COMMISSION

We have been considering the sort of approach which would be appropriate at the Commission meeting on December 20. It seems to us that it would be desirable to do what we can to ensure that the proceedings are brief, non-controversial and confined to the formal action of approving the usual form of report.

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[89] Voir/See *Public Papers of the Presidents of the United States: Dwight D. Eisenhower 1956*, Washington D.C.: United States Government Printing Office, 1958, pp. 863-866, 997-1002.

2. Since the Soviet proposals of November 17 were issued as an Assembly document they are not at present formally before the Commission. It may therefore be possible, unless the Soviets dwell upon the proposals at length, to dispense with extensive remarks about them.

3. Our present inclination is to think it might be sufficient to make the following points.

(a) The Commission and its Sub-Committee have pursued the recommendation of the General Assembly that priority be given to such disarmament measures as are now feasible. Proposals for first stage agreements have been submitted and this approach, which appears to be a practical one, should in our view be continued.

(b) Canada would have welcomed continuation of the negotiations in the Sub-Committee following the July session of the Commission. However, the circumstances were unfavourable and probably little has been lost by the failure to resume discussions then. We are hopeful that the Sub-Committee will reconvene shortly after the Assembly.

(c) We presume that the Soviet Union will wish to have its November 17 proposals examined in detail in the Sub-Committee and we reiterate our readiness to participate in such an examination. Our broad preliminary views on these proposals have already been presented in the Assembly. We see little profit in elaborating at any length upon them in the Commission at this stage.

(d) To the extent that the Soviet proposals mark an acceptance of the principle of aerial inspection, we consider them to reflect an advance on part of the Soviet Union towards acceptance of the other matter for which the Assembly has recommended priority, namely confidence building measures such as mutual aerial inspection.

(e) Among the specific matters to which we hope it will be possible for the Sub-Committee to give its attention is the question of limitations on nuclear test explosions.

4. It seems to us that a short statement covering these points could be made without waiting for the Soviets to show what tactics they intend to follow. However, as they requested the meeting they might well be prepared to speak first. Should they devote much attention to their own proposals it would be proper for you also to give them more time. The broad lines of the suggestions in our telegram V-651 of November 22† should serve the purpose again. In any event, we are inclined tentatively to consider that a positive attitude should be taken only towards their proposal concerning aerial inspection.

5. We would be interested in any indications you may receive as to the approach contemplated by other Commission members.

6. We will be giving further study to the possibility of saying something about reductions of the forces in the NATO and Warsaw Pact areas as an indication of our willingness to see positive aspects in the Soviet proposals. We will also be considering what might be the appropriate course in the event of the submission of a Soviet draft resolution as hinted in Washington telegram 2291 of December 13.†

389. DEA/50271-A-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELEGRAM 2329 Washington, December 18, 1956

CONFIDENTIAL. IMMEDIATE.
Reference: Your Tel to Candel VV18 Dec 14.
Repeat Candel New York, London, Paris, NATO Paris (Information).

MEETING OF THE DISARMAMENT COMMISSION

We thought it would be useful to explore with Stassen's office USA views on the shape and aims of the Disarmament Commission meeting December 20. Matheson of Stassen's staff told us that the meeting would be attended by Lodge with Stassen at his side. They expect that the Soviet Union will make the initial statement, since they requested convening of the Commission, and the USA Delegation then expects to make a brief statement dealing with the Western position and picking up any rebuttal points arising from the Soviet statement.

2. Matheson said that the general expectation was that it would be a short meeting and was not expected to last beyond the 20th. He confirmed their understanding that there might be a Soviet resolution, probably cast in the form of a General Assembly resolution. The expectation is that the Commission will refer the matter of disarmament to the First Committee.

3. While seeing Matheson, we thought it would be useful to outline our own approach to the meeting on the basis of your telegram to Permis under reference, and Matheson commented that we appeared to be thinking on very similar lines. We also raised the point mentioned in your telegram VV-12 December 13† with your suggestion as to the best way of handling the USA proposals in the light of the spate of publicity they have been given in the USA press. Matheson's explanation of this publicity may be of some interest. The first story which appeared was by Frye in the *Christian Science Monitor* of December 4 which may have originated through a leak on the part of the congressional elements of the USA Delegation in New York, although he could not, of course, be sure of this. This story was followed up by Singer's report in the *Washington Post* which was the subject of our 2270 December 10.†

4. This Singer story was almost a rewrite of the Frye article. Neither story was authorized or inspired by "administration" sources. As a result of their publication, however, a "background" press briefing was held (we would guess by Stassen) on a not-for-attribution basis, in an attempt to clarify matters. This only resulted, however, in an even greater flow of newspaper articles, many of them of a highly speculative character.

5. Matheson seemed to think well of your suggestion that it would be desirable for the USA to do no more in the Commission than confirm the existence of the new proposals which are to be presented in the future, and we reminded him that we hoped there would be no further disclosures of details of the USA proposals pending the Western consultations now in progress. Matheson confirmed that no reply had yet been received from the Soviets on the suggestion for renewed sessions of the Subcommittee.

6. As a foot note to the foregoing report on "background press conferences", your attention is drawn to the report of a statement by General Gruenther in today's *New York Times* in the following terms:

"He reviewed some of the inadequacies of the North Atlantic forces and described as "not helpful" the publicity given to a reported new USA plan for disarmament negotiations with Moscow. He recalled that the plan had been reported while the North Atlantic Council was meeting in Paris.

"However, when the name of Harold E. Stassen was mentioned as a source of the disarmament story, General Gruenther quickly declared he had not referred to the President's disarmament adviser."

7. We have meeting with Stassen and his staff on December 19 to seek clarifications concerning the USA proposals on the basis of the questions raised in your telegram VV5 December 12, and will send further report following our discussion.

[A.D.P.] HEENEY

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390. DEA/50271-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 2347 Washington, December 20, 1956

CONFIDENTIAL. IMPORTANT.
Reference: Our Tels 2345† and 2346 Dec 20.†
Repeat Candel New York, Paris, NATO Paris (Information).

DISARMAMENT; USA POSITION

In addition to the substantive points covered in my separate messages rising out of our discussions today with Stassen and his group, I thought it would be useful to obtain some idea of USA thinking on the procedural aspect. The question of the meeting today (December 20) of the Disarmament Commission was covered in our 2329 December 18. The only additional point which Stassen made today was that the USA did not, repeat not, intend today to refer to their new proposals. They expected to limit themselves to a general expression of willingness to continue to explore the problem of disarmament.

2. For the immediate future the USA lay great stress on the bilateral approach as affording the best means of exploring possibilities and examining difficulties with each of the Western partners and of developing a common framework of ideas for later presentation through diplomatic channels to the Soviets, and then for discussion in the Sub-Committee. Since each government has special problems of its own, this, in Stassen's view, is a better procedure than to try to deal immediately on a Four Power basis. As soon as the necessary measure of agreement had been reached, Four Power conversations would be held. The USA had no firm ideas at this time of where or when such Four Power discussions should be held, and would welcome any views which we might wish to put forward. Stassen agreed that the method and timing of any approach to the Soviets would be a matter for Four Power consultation.

3. So far as our own special position is concerned, and particularly with reference to our developing views on the subject of limitation of test explosions, Stassen indicated that the USA side would welcome any suggestions or views on this subject which we might wish to put forward to them in direct discussion. They hoped that they would have the chance to hear our views and discuss them with us before any further public elaboration of them; only in this way would it be possible to develop a position which the Four Powers could support in common. I think you will agree, therefore, that, when our substantive bilateral talks begin, we should be put in a position here to develop as fully as possible our ideas on this particular aspect.

4. At the conclusion of the meeting, we raised with Stassen the general question of whether the international climate was more or less favourable than that which existed in the spring of this year for some progress in disarmament. Stassen replied that recent developments in Eastern Europe had certainly intensified the Cold War, and thus made the prospect of serious negotiation on disarmament more remote. It was equally true, however, that the strength of the resistance in Hungary had indicated serious weaknesses within the Soviet Bloc, a factor which could tend toward a greater willingness on the part of the Russians to seek some way out of the present impasse. Stassen observed that the Soviet proposals of November 17 had been presented after the outbreak of the disorders in Hungary. Further, they had made specific reference to the forces of NATO and of the Warsaw Pact, terminology which had not previously appeared in Soviet communications. The possibility, at any rate, of some shift in the Soviet position was not to be overlooked, and the USA, for its part, intended, therefore, to probe the Soviet position thoroughly and patiently. At this stage it was not possible to make any confident assessment of the significance of the Hungarian development in relation to disarmament prospects. But, Stassen reminded us, we had had little prior notice of the Soviet decision to withdraw from Austria or to return the Porkkala base to Finland. In such circumstances, Stassen concluded, the West should maintain a position which would permit us to take full advantage of any shifts in Soviet disarmament policies.

5. In our judgment it would be premature to minimize the prospect of significant movement in the USA position on disarmament, at least until our bilateral discussions get underway and we have more evidence. Indeed, our meeting yesterday with Stassen (who incidentally is now reliably reported to be staying on as the President's principal adviser in this field) leads us to believe that the USA position has now been modified in several respects, of which perhaps the most important is a degree of flexibility in regard to the implementation and extent of aerial inspection and an apparent willingness to explore more fully and in private the significance of the latest statement of the Soviet position. Furthermore, the effort to cope with the vast problem of long range missiles at this relatively early stage is another evidence of the seriousness of USA intentions in this field. Nevertheless, it remains perfectly clear, that the USA will only move forward on disarmament if they are convinced that at each step in the process their defensive capacity and that of their friends relative to that of the Soviet Bloc is not thereby impaired.

[A.D.P.] HEENEY

391. DEA/50271-A-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations to Secretary of State for External Affairs

TELEGRAM 1811 New York, December 20, 1956

CONFIDENTIAL. IMPORTANT.

Repeat London, Washington, Paris, NATO Paris (Information).

DISARMAMENT

The Disarmament Commission met this morning (December 20) and in half an hour agreed without a vote to adopt a draft report submitted by the Secretariat which took note of the third report of the Sub-Committee (DC/83 of May 4). This report together with the records and relevant documents of the meetings of the Disarmament Commission would be transmitted to the General Assembly and the Security Council for their consideration.

2. The following documents were listed in addition to the third report of the Subcommittee:

(a) DC/PV.51-DC/PV — Verbatim records of the meetings of the Commission in July and December 1956;

(b) DC/84; DC/86 to 88; DC/90 to 92; DC/95 to 98. These documents contain various communications and draft resolutions submitted to the Commission from May 19 to July 25.

3. Before the meeting this morning Dixon held an informal meeting of the representatives of Belgium, Canada, France, Iran, UK and USA. Protitch was also present. Dixon reported that in discussions with Sobolev it had been agreed that the meeting of the Commission would be purely procedural and that no questions of substance would be raised. Dixon pointed out that the Australians wished to make a brief statement reaffirming their belief that the Commission should continue to play an active role in the development of the disarmament question and should not confine its activity to procedural meetings.

4. Other representatives and Protitch at this meeting confirmed that this was their impression of the Soviet attitude. It was agreed that Sobolev should be allowed to speak first. Lodge said that if Sobolev raised any points of substance we should then consider whether to have a recess before proceeding with the discussion.

5. In fact the meeting proceeded even more quietly than expected. Sobolev made a brief and perfunctory statement about the need for the General Assembly to reconsider the whole question of disarmament. He referred to the importance of the subject and to the "well-known" Soviet proposal of November 17. He stated that the Assembly discussion should take place without undue delay and that therefore he had no objection to the report drafted by the Secretariat.

6. Walker also supported the draft report but expressed regret at the "meagre" performance of the Subcommittee during 1956. He stated Australia's opinion that the July meeting of the Disarmament Commission was worthwhile and referred in particular to the "realism" demonstrated in the Canadian position. He hoped that this spirit would continue in the forthcoming Assembly discussion of disarmament and in the expected meetings of the Subcommittee in 1957.

7. Peru supported the draft report. Lodge made a brief statement in which he made a passing reference to aerial inspection and in which he expressed hope that the Subcommittee could resume its consideration of the important proposals before it in March. Yugoslavia referred to the useful discussion in the Commission in July and expressed disappointment about the Subcommittee's performance in 1956. With the important new proposals before it, however, there was room for hope that the Subcommittee could make progress during the next year. He called for a maximum effort to this end. Broustra (France) supported the draft report and reaffirmed the French opinion that progress in disarmament would lessen international tensions.

8. We had prepared a brief statement along the lines suggested by you. However, since none of the speakers raised directly any points of substance and since there was a clear understanding by all concerned to minimize the discussion, I decided not to intervene. Belgium, China, Cuba, Iran and the UK made no comment either.

9. After the meeting Hill of Australia asked us whether we could give him any elaboration of our attitude on nuclear tests. He referred to what the Canadian representative had said in the general debate. We gathered that he had been instructed to obtain a detailed explanation of the Canadian position on the limitation of tests. We described the Canadian position in the general terms in which it has been stated publicly and promised to seek more detailed info from you. Hill conveyed the impression that to some extent the Australian attitude might depend on that adopted by Canada. Accordingly we shall be glad to have from you any further elaboration of the Canadian position which you think could be passed to the Australians.

[R.A.] MACKAY

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392. DEA/50271-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM VV-41 Ottawa, December 26, 1956

CONFIDENTIAL

Reference: Your Telegrams 2345,† 2346† and 2347 of December 20, 1956.
Repeat Candel New York, London, Paris, NATO Paris (Information).

DISARMAMENT

The account of your discussions with Stassen is greatly heartening and encourages the expectation that representations made in bilateral exchanges will be given serious consideration. It appears that we can be satisfied to pursue the consultations bilaterally without pressing for an early four-power meeting. In any event, as you will have seen in London telegram 1794 of December 18†, the British might face representation problems. However, we probably should remain sensitive to the degree of Stassen's readiness to consider and accept suggestions.

2. One general question which remains unclear is where the United States position is firm and where it is flexible. Your telegrams suggest that Stassen has considerable authority to negotiate on matters of relative timing in such important areas as the beginning of

certain control measures and the execution of reductions on both the conventional and nuclear sides. Yet he seems to have little discretion on the timing of limitations on nuclear tests which seems of rather less direct importance to the national security.

3. We are no less prepared than the United States to accept as a cardinal principle the proposition that no disarmament move should impair the defensive capacity of the West relative to the Soviet Bloc. However, assuming that the Soviets have a comparable attitude, it seems that our practical guide should be the proposition that no plan should be devised in such a way that it would weaken the posture of one side with respect to the other. We have the impression that Stassen is more inclined to accept this latter thesis than some authorities in Washington have been in the past. We wonder how prevalent this view may now be in the Pentagon and the Atomic Energy Commission.

4. It appears desirable to bear in mind the possible significance of the Soviet proposals of November 17 when considering the United States proposals. We took note of the apparent readiness of the Soviets for the first time to discuss their relations with the satellites. However, we must remember the origins of the Warsaw Pact which did little in a practical way to enhance Soviet Power. There is a possibility that the Pact was erected partly with a view to negotiating NATO out of existence and thereby substantially weakening the West.

5. Even in the new circumstances in Eastern Europe we are inclined to doubt that liquidation of the Warsaw Pact would materially diminish Soviet Power. For, of course, it is not the Pact itself which is significant but the presence of Soviet troops on satellite territories and the satellite armies, both of which contribute to the defense in depth of the Soviet homeland. Moreover, events in Hungary and Poland suggest that a Soviet move to modify the Warsaw Pact to effect a partial withdrawal of Soviet troops from the satellites, and/or to accept some limitations on the disposition of Soviet troops in the satellites may eventuate without any matching action on the part of the NATO Powers. It seems to us that in approaching the Soviet suggestions regarding disarmament in Europe we should beware both of making an unnecessary political concession and of refusing a technical or military concession which would facilitate substantial readjustments in East Europe.

6. We gather that the United States has in mind discussing the Soviet proposals privately with the Soviets. This would appear to be in keeping with the proposed procedure of direct talks to introduce the United States plan to them. It might be advisable before that event to arrive at common views which would be more elaborate than those which are likely to emerge from the discussions in the North Atlantic Council. This is perhaps a matter which is especially appropriate for Four-Power discussion.

7. For the present we have no particular ideas about the place or time of the Four-Power talks. We suspect that these are questions which will tend to resolve themselves as the discussions progress.

8. The particular points arising out of your discussions are being dealt with separately. With regard to limitations on tests you would wish to know that the Norwegian views were mentioned in the North Atlantic Council on December 20 and the subject will be on the agenda there in early January. You will also have seen in Candel telegram 1811 of December 20 the reference to this question. In view of these requirements as well as your own we will develop considerations which we trust will facilitate discussions in Paris and New York as well as in Washington.

393. DEA/50271-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 2393 Washington, December 29, 1956

CONFIDENTIAL
Reference: Our 2390 Dec 28.†
Repeat Permis New York, London, Paris, NATO Paris (Information).

USA DISARMAMENT PROPOSALS

Mattheson of Stassen's Office has given us a further informal memo, dated December 27, which is based on the questions raised in connection with their earlier memo by the British, French and ourselves.

2. The text of this informal memo is as follows:

"Informal Memo

"The USA is consulting with the UK, France, and Canada with the objective of reaching agreement on a further initiative in the disarmament field. Such an initiative should include both conventional and nuclear armaments.

"1. The importance of providing against great surprise attack is a continuing important feature of USA policy. The USA continues to lay great emphasis on the implementation of President Eisenhower's Geneva "open skies" proposal together with Premier Bulganin's proposal for ground control posts. The USA is prepared to negotiate now the progressive installation of a combined air and ground inspection system, each step of such an installation adding to the mutual security against great surprise attack. As part of the system to provide against great surprise attack, blueprints showing the location of major military installations could be exchanged on a progressive basis prior to the effective positioning of inspection to verify such disclosures. In any inspection system, it is the USA view that some aerial component must be present from the beginning for verifications of disclosures and reductions.

"2. Mindful of the emphasis placed on "no control without disarmament and no disarmament without control", the USA has given special and continuing study to this matter. The USA is prepared to negotiate a method for the progressive installation of an inspection system with air and ground components concurrent with initial reductions of armed forces and major conventional armaments. The initial reductions in major conventional armaments would be measured by the previously proposed first stage force levels of 2,500,000 and 750,000 men. Disclosures of major conventional arms and armed forces could be made prior to the effective positioning of air and ground inspection to verify the disclosures. The USA proposes no rigid, precise timetable for, or relationship between, the installation of such inspection and such initial reductions, except for the insistence that the inspection must be adequate at each step to safeguard security in the total posture of remaining armaments and armed forces. Likewise, the USA is not flexible to negotiation on force levels for "other powers". The USA does not itself propose to go below a 2,500,000 men force level prior to further major political settlements.

"3. In the nuclear armaments field, it is suggested that a target date should be proposed to the USSR after which, under effective inspection and control, future production of fissionable materials would be used or stockpiled exclusively for non weapons purposes under international supervision. "non weapons purposes" is defined by the USA to mean "not for explosive devices". For example, fissionable materials may continue to be used in atomic energy power plants which have defense significance for production or propulsion.

"4. States possessing nuclear weapons would make transfers of agreed equitable and proportionate increments of fissionable materials in long term sequence from previous production over to internationally inspected supervised non weapons purposes, as an integral part of the arrangement outlined in numbered paragraph three above. In this manner it would be contemplated that the total nuclear weapons stockpile of each nation in the world would be gradually reduced and the nuclear threat correspondingly lessened. While it is recognized that past production of fissionable materials cannot be checked with sufficient accuracy, the best possible check on existing stockpiles plus effective inspection of future production of fissionable materials would give an adequate base for determining equitable, proportionate transfers to non weapons purposes. Reductions would be made on a long term basis over many years with full regard for free world security interests. A long term schedule of transfers would not be laid down in advance because of the possibility of error in estimating existing stockpiles and because of the impossibility of predicting future major political settlements.

"5. Subsequent to the agreement and implementation of numbered paragraphs 3 and 4 above and inseparable therefrom, and under an effective inspection system to assure compliance with the commitment, both nuclear and thermonuclear test explosions would be limited and eventually eliminated. Apart and separable from this, the USA would be willing as a first step to consider international registration and limited observation of such tests.

"6. The USA further proposes that under a disarmament system an effort be made to assure the objective that projecting objects through outer space would be exclusively for scientific and peaceful purposes. Towards this purpose, tests of such projections should be reciprocally open to international participation, and an inspection system to verify the fulfillment of the commitment should be included. "Outer space objects" defined to include artificial satellites and long-range, supersonic missiles which transcend the earth's atmosphere. The purpose outlined could not be achieved outside a comprehensive disarmament system.

"7. The USA suggests that any disarmament treaty should include a safeguard clause that would provide for giving of notice for partial suspension of, and withdrawal from the disarmament treaty in the event of violation, and for an initial procedure to announce intention to give such notice if violations do not cease.

"8. The substantive points in the USA informal memo are not inflexibly or precisely linked to each other except as generally indicated. They may or may not be fitted into the previous USA first stage plan submitted last March. They may all be initiated prior to further political settlements. The objective is to secure agreement at this time on those first steps that might be taken in the world as it is prior to further political settlements."

3. You will of course be examining this memo closely and comparing it with the answers which Stassen gave to our questions (our telegrams 2345,† 2346† and 2347 December 20). It appears to us at first glance to contain a good deal of info already reported to you. Many of its points are either amplifications or clarifications of points which were not too clear in the original memorandum.

4. There are, however, several points which appear to us either to be new or stated for the first time in the context of the new USA proposals. In numbered paragraph 1, the progressive principle is applied to the exchange of blueprints. In numbered paragraph 3 "non weapons purposes" is defined as "not for explosive devices". This is generally in line with USA thinking when the matter came up during the conference which set up the International Atomic Energy Agency. In numbered paragraph 5, it is stated that the USA "would be willing as a first step to consider international registration and limited observation" of both nuclear and thermonuclear test explosions. This would appear to be the first result of their consideration of Lange's proposal and appears to mark a definite advance. In numbered paragraph 7, it is indicated that the USA is prepared to accept a safeguard clause providing for notice of suspension or partial suspension of any disarmament treaty. This point is not new in that it appears in previous proposals but is stated here for the first time in the present connection.

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394. DEA/50271-A-40

Le secrétaire d'État aux Affaires extérieures à la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs to Delegation to United Nations General Assembly

TELEGRAM V-7 Ottawa, January 7, 1957

SECRET. IMMEDIATE.
Reference: Our Telegram V-5 of January 7.†
Repeat Washington, London, Paris, NATO Delegation (Information).

DISARMAMENT DISCUSSIONS IN THE ASSEMBLY

Following is the section on objectives and tactics prepared for inclusion in the supplementary commentary article on disarmament. Begins

2. Since the new United States proposals may be expected to develop shortly into the basis for a useful agreed initiative it would appear desirable to seek so to influence the course of affairs in the Assembly as to assist in making the prospect of negotiation attractive to the Soviet Union by doing what is possible to improve the atmosphere and avoiding any action likely to cause deterioration. In general it would be our hope that the debate could be made as brief and non-controversial as may be possible in the presence of eighty representatives. It does not necessarily follow, however, that the role of the Canadian Delegation should be a passive one. Indeed, if there is to be a reasonably smooth transition from the Assembly debates to the meetings of the Sub-Committee (which will take place in March if the Soviet Union concurs in the proposal made during December) it will be advisable to take steps to minimize the likelihood of the introduction of irresponsible proposals which might serve to hamper future negotiations. The problem may be briefly described as the avoidance of a vacuum in leadership which might constitute an invitation to mischievous initiatives. It would appear that Canada is on the whole better situated to provide suitable leadership in the direction of moderation than the other Western members of the Sub-Committee and has the advantage of that membership over other possible contenders.

3. It is unlikely to be easy to recruit an enthusiastic following for the thesis that this is a good time to be patient and to refrain from promoting specific substantive proposals. We can perhaps in our capacity as cognoscienti emphasize privately to influential delegations

our view that the United States plans ought to enable serious progress to be made if circumstances should be favourable. However, it is probably necessary to have some matter on which we can display a positive and constructive attitude without the necessity of it leading on to a substantive resolution. It would appear that following on the statement made in the general debate the appropriate question for positive treatment is that of nuclear tests.

4. Taking as a basis the considerations set forth in the foregoing section on this question, it would appear that the guiding principles should be (a) that no far-reaching proposal and certainly not an isolated prohibition is justified by the present state of information as reflected in the report of the Scientific Committee (b) some provision relating to nuclear tests might be included in a first stage agreement or even concluded separately and in advance (c) the question cannot be ignored and if recommendations are made by the Assembly as to the course of discussions in the Sub-Committee suitable priority could be allowed to the problem of nuclear tests.

5. In this matter it would be proper for the delegation to recall the statement in the general debate and emphasize the seriousness with which Canada views the question. We are prepared to acknowledge that the situation can be regarded as anomalous when nations are exposed to effects of possibly far-reaching importance resulting from the actions of other nations about which they are not consulted and against which they have no protection. However, it is necessary to have a sound basis for taking action and for the present we accept the opinion that there is no immediate cause for undue concern about those effects. Moreover, the tests are a manifestation of world tensions and the problem cannot be solved by isolated attempts to prohibit them. The root causes are to be found in the major political issues which prompt governments to look to their defences in every way possible and to develop their power as a deterrent against attack. We are hopeful, however, that some start on the problem can be made and we welcome the suggestions of the Foreign Minister of Norway which reflect an approach not unlike our own. In this matter as in other aspects of disarmament it is perhaps the better part of wisdom to strive for what can be attained at the present rather than to debate vainly about objectives which in current circumstances are beyond the realm of feasibility.

6. With regard to the sort of draft resolution to emerge from the debate of the Committee we are inclined to think that the objectives we have outlined can be achieved by an essentially procedural resolution which would take note of the report of the Commission and request it to continue to work through the medium of the Sub-Committee. There might be an advantage in including from the outset the recommendation that priority in consideration should be given to a partial programme for implementation in present circumstances and to measures to guard against the danger of surprise attack and in addition to the problem of nuclear tests. We would not wish to see specific reference under any priority list to the Soviet proposals of November 17. Such exclusion could be based on the grounds that priorities should be given to problems rather than to proposals. For this reason we would favour a rather different formulation for the priority projects from that of resolution 914 X of December 16, 1955 in order to facilitate exclusion of the Soviet plan. At the same time we see no real objection to reference being made in the preamble to the fact that the Soviet Union submitted proposals on November 17. Such a reference might be made in connection with references to the various proposals presented in the Sub-Committee and to possible future proposals.

395. DEA/50271-A-40

La délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Delegation to United Nations General Assembly to Secretary of State for External Affairs

TELEGRAM 79 [New York], January 8, 1957

CONFIDENTIAL. CANADIAN EYES ONLY. IMMEDIATE.
Repeat Washington, London, Paris, NATO Paris (Information).

DISARMAMENT

Late this afternoon (January 8) we had a talk with Stassen, Lodge and officials of the USA Delegation concerning the tactics which the USA proposed to adopt in the discussion on disarmament in the First Committee. This debate is scheduled to begin on January 14, that is, after the Hungarian question has been reconsidered in plenary. During the course of today Stassen met separately with the UK and French representatives.

2. This morning Pink informed us about the tactics which Stassen was proposing. Apparently he had in mind to introduce at the outset of the debate a draft resolution on substance with particular reference to the new proposals of the USA. (The USA draft resolution is contained in my immediately following telegram.†) The UK Delegation reacted vigorously to Stassen's suggestion that a resolution on substance should be introduced. The UK argued in particular:

(a) A USA draft resolution on substance would be an open invitation to the USSR and to any other delegation which might wish to introduce proposals of substance. This would greatly complicate the debate in the First Committee and might jeopardize the prospects for a useful discussion in the Sub-Committee;

(b) Even if competing resolutions on substance were not introduced, there would almost certainly be strenuous efforts to amend the USA draft. There was no certainty that all amendments could be voted down; this had proved difficult at previous sessions and this year the voting would be complicated by the large increase in membership;

(c) There were some parts of the USA draft which the UK in present circumstances at least could not accept and it would be obliged to make this clear in the Committee debate. Detailed discussion of substance would at this stage inevitably produce divergences in the positions of the Western partners. These might be harmful to the subsequent negotiations in the Sub-Committee;

(d) There was no assurance that the USA draft resolution would command the support of an overwhelming majority in the Assembly and in view of the differences among the Western partners there might be some difficulty in organizing the necessary two-thirds majority. In any event, there was no particular advantage in having a voting victory based on West European, Latin American and Old Commonwealth support with possible additions from Baghdad Pact and SEATO Powers;

(e) There had been indications that the USSR was prepared to accept an essentially procedural resolution referring various proposals of substance to the Sub-Committee. This did not mean, however, that there should not be a full exposition in the First Committee of the various points of view. The USA it was hoped would make a full statement of its new position.

Pink said that these arguments were urged strongly and he hoped that France and Canada would adopt the same attitude.

3. Last evening Zamyatin had indicated briefly to us that the USSR would be content if the debate should wind up with a procedural resolution. Today we cross-examined him more closely and ascertained that the USSR's position on substance would depend largely on the attitude adopted by the USA. We were left with the impression that the USSR was not anxious to press to a vote any resolution on substance and that the Soviet Delegation might not even follow their traditional course of submitting a draft resolution as a basis for discussion. Zamyatin said that the USSR would give a full explanation of its position, based largely on the proposals of November 17, but in the form of statements in committee. The Soviet Delegation expected that the real discussion on substance would take place in the Sub-Committee which Zamyatin said was likely to meet in March. (He had been so informed by the Secretariat).

4. In view of this Soviet attitude we were even more persuaded that the USA should reconsider its plan to introduce a draft resolution on substance. Our conclusion in this regard was substantiated by remarks which various members of the USA Delegation made. It appeared that Lodge, the State Department advisors and even some of Stassen's group were not in favour of submitting the draft resolution, the idea had originated with Stassen and there was some suggestion that his view was not strongly held. Accordingly we saw advantage in expressing to Stassen our reservations about the introduction of a resolution on substance.

5. This we did when we met with the USA group this evening. We were shown the draft resolution and draft statement which Lodge proposed to make at the outset of the debate in the First Committee. This text is contained in a separate telegram.† It was clear from what Lodge and Stassen said that the statement could be made without necessarily introducing the draft resolution. The statement contains a restrained and persuasive explanation of the new USA proposals. We think it would be a helpful introduction to the debate on disarmament and we said as much at the meeting. Without going into too much detail we expressed a preliminary reaction against submitting the draft resolution. We reported on what Zamyatin had said, a report which seemed to interest Stassen considerably. The main USA concern seemed to be that some other delegation, possibly the Indians, might move a formal proposal on substance and take away the initiative which the USA might gain if it should submit its draft resolution at the beginning of the debate. Stassen inquired specifically whether we knew what the Indians proposed to do in this regard. He also wished to know what Canada's reaction might be if a separate proposal should be made on nuclear tests. We referred to public statements which Canadian representatives had made on this subject and to the attention which this question was attracting in Canada. We gave no direct answer to Stassen's question.

6. Lodge proposed that the Western Four should meet at the USA Office on January 9 at 5 o'clock. The purpose was to try to reach agreement on tactics. We had suggested to the USA group that the Four might consider the possibility of introducing a procedural resolution. Accordingly, after the meeting with Stassen we spoke to Ramsbotham about preparing a text which we could show to the USA Delegation. Ramsbotham said that Moch had been very forceful in arguing against the introduction of the USA draft resolution. There seemed to be every reason therefore that UK, France and Canada should stand together against Stassen who would be likely to give up his idea. Ramsbotham doubted whether we could prepare on short notice the kind of procedural resolution which would be necessary to satisfy the Committee. It was the UK view that this resolution should be introduced

toward the end of the debate. He agreed, however, that the Western Powers should give immediate attention to its preparation.

7. The UK Delegation are already spreading the notion that the debate in the Committee should give a full airing to the various ideas about disarmament but should not be directed toward any resolution on substance. All shades of opinion are being encouraged to express their views fully. The UK intends to intervene on several occasions and about various proposals. They will try to stimulate a discussion in principle without too much attention to details which they will urge should properly be left to the Sub-Committee. (Because of Cyprus the UK are anxious to prolong the disarmament debate at least to the end of January). They will stress that the Sub-Committee is to meet shortly after the end of the Eleventh Session.

8. Unless we hear from you to the contrary we shall use our influence tomorrow to dissuade Stassen. Before the meeting with him we shall try to ascertain what the Indians have in mind as regards the Committee debate on disarmament. Our impression is that if Stassen can be assured that the USSR and India will not make formal proposals of substance, he will agree that the USA draft resolution need not be pressed in the Committee. One additional argument which the UK used on Stassen was that the Soviet Government had changed its attitude toward the proceedings in the Sub-Committee and that in particular Gromyko was anxious to resume his private conversations with Stassen. This was calculated to have particular appeal for Stassen who in the First Committee must share the stage with Lodge.

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396. DEA/50271-A-40

La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Delegation to United Nations General Assembly
to Secretary of State for External Affairs

TELEGRAM 97 New York, January 9, 1957

SECRET. IMPORTANT.
Repeat London, Washington, Paris, NATO Paris (Information).

DISARMAMENT

This evening the representatives of the Western Four met at the USA Office. We had heard earlier in the day from the UK Delegation that Stassen had decided to drop his idea of submitting a draft resolution on substance. The USA Delegation intended, however, to initiate the debate by making the statement which we sent you on January 8.

2. At the meeting today Lodge enquired whether there were any comments on the USA draft statement. Noble had nothing to say about the statement but he restated the UK arguments against submitting a resolution on substance. Moch supported this UK position and made a few comments about paragraph 7 of the draft resolution. These comments were designed to demonstrate the kind of difficulty which might arise if the resolution should be pressed in the Committee. Moch had only one comment about the USA draft statement; he pointed out that France had over one million men under arms and therefore could not subscribe at the moment to the level of 750,000 as a basis for measuring armed forces and military expenditures; this figure could be used however as a yardstick for conventional armaments, because the reservists, now serving in the French forces, were not equipped

with weapons which would normally fall within the category of conventional armaments to be reduced. The USA Delegation agreed to make the slight revision which would be necessary to take this French attitude into account.

3. I supported the position which Noble and Moch had taken concerning the introduction of a draft resolution on substance. I expressed warm support for the USA statement and suggested that it would help to set the proper tone for the debate in the First Committee. I reported on conversations which we had with officials of the Indian and Yugoslav Delegations:

(a) Lall told me that without committing his delegation he favoured the idea of a procedural resolution to wind up the debate in the First Committee. He promised to discuss the matter with Menon and to let me have his views;

(b) The Yugoslavs said that they would probably restate their proposal that the Sub-Committee should seek an early agreement on partial disarmament. They were not sure whether a resolution on substance would be submitted but they left us with the impression that they could be dissuaded from doing so, if most of the other delegations concerned were similarly inclined. The Yugoslavs agreed that a procedural resolution might be the best means of concluding the Committee's debate.

4. The USA Delegation apparently accepted the general view that the substantive part of their draft resolution should not be submitted. Lodge specifically asked us not to circulate the original draft because if it should be leaked to the press, the position of the USA Delegation would be made difficult. Lodge will send a copy of the USA statement to Menon and will discuss it with him on January 11. He will also outline for the other members of the Disarmament Commission the USA position. He and Stassen were considering whether they should talk privately to Kuznetsov. We all agreed these tactics were sound.

5. In these circumstances there is room for hope that the First Committee debate on disarmament will be orderly and useful. Protitch told us today that Belaunde might wish to make some formal proposal but that this could probably be headed off. We gathered that the Australians, who have frequently pressed for more positive action, will go along with a procedural resolution. We are therefore reasonably optimistic. The debate is still scheduled to begin on January 14 even though the Hungarian question might be disposed of tomorrow. Lodge suggested today that the by-election to the International Court and the question of expanding the Security Council could be used to keep the plenary session occupied on Friday.

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397. DEA/50271-A-40

La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Delegation to United Nations General Assembly
to Secretary of State for External Affairs

TELEGRAM 116 New York, January 10, 1957

SECRET. CANADIAN EYES ONLY. IMMEDIATE.
Repeat Washington, London, Paris, NATO Paris (Information).

DISARMAMENT

The Norwegians showed us today a translation of a message which they have received from their Foreign Office giving them instructions about a proposal for the registration of test explosions of nuclear weapons. The text of the Norwegian message is contained in my following telegram.†

2. The Norwegians wanted our views about the proposal and about the tactics for presenting it in the First Committee. They asked, among other things, whether Canada would be prepared to co-sponsor a draft resolution which might be submitted separately concerning registration of tests. They proposed, however, to discuss the question with the USA Delegation before proceeding farther. This discussion will probably take place tomorrow.

3. We gave our preliminary view that the ideas set forth in the Norwegian telegram were well developed and might form the basis of a separate initiative during the disarmament debate. Such an initiative might have the effect of forestalling more drastic proposals concerning nuclear tests. We welcomed the fact that the Norwegians would be discussing the matter with the USA Delegation and we explained briefly the discussions which had taken place during the past two days among the Western Four.

4. We emphasized that the USA Delegation had first intended to submit a draft resolution containing their new proposals on disarmament but that they had been persuaded by their three Western partners not to introduce a proposal on substance. We said it was our impression that the Soviet Delegation would follow the same course and that in these circumstances there was some hope that the debate in the First Committee would end with a procedural resolution referring the proposals made to the Sub-Committee. It was our understanding that the USA Delegation was preparing a draft resolution to meet the procedural requirements.

5. We explained that this did not necessarily mean that Canada would not support Norway in a separate initiative. Before making any commitment, however, we would have to seek the views of the Canadian authorities in Ottawa and we would prefer, in addition, to know the USA reaction to the Norwegian proposal. We pointed out that the USA draft resolution of January 7 contained a paragraph about a system of registration of nuclear test explosions, (paragraph 8?). The Norwegians were not aware of this although they had been told by USA officials in Washington that consideration was being given to the inclusion of such a provision.

6. We discussed briefly the tactics for taking an initiative along the lines proposed by Norway. The Norwegians were under the impression that a USA resolution would be introduced on January 14; we said this was likely to happen later in the debate. Accordingly there was no immediate urgency about drafting a resolution on registration. There might be some advantage in waiting to see how the debate developed, in particular to see whether there would be any drastic proposal on tests. If this should be likely to happen, the USA might be better disposed to having the Norwegian proposal put forward as an alternative. We and the Norwegians agreed, however, that it was important to obtain the USA reaction to the whole idea as soon as possible. The Norwegians will let us know the result of their talk with the USA Delegation.

7. We shall be glad to have your views on the Norwegian paper as quickly as possible. You might also let us know whether you think a separate proposal should be made and whether Canada could be associated with it. It is quite possible that the USA Delegation will try to have a reference to the Norwegian proposal included in the procedural resolution which the USA is preparing. This might not be sufficient for the purposes of the

Norwegian Government, which is under considerable pressure at home. We should have to see whether some satisfactory formula could be evolved.

8. On the other hand it might be quite acceptable to the USA to have this separate proposal introduced on the subject of tests. It might prove to be an escape valve for a number of delegations, which have been pressing for action on tests, rather than an invitation to others to make proposals of substance. The main aim would be to have the USA Delegation give the Norwegian's proposal serious consideration. In view of the recent pressure on the USA to drop its own resolution, the Western partners might have to tread warily in approaching the USA Delegation about any new proposal of substance.

398.

DEA/5475-GE-40

La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Delegation to United Nations General Assembly
to Secretary of State for External Affairs

TELEGRAM 126

New York, January 11, 1957

SECRET. IMMEDIATE.
Reference: Our Tel 116 Jan 10.
Repeat London, Washington, Paris, NATO Paris (Information).

DISARMAMENT

The Norwegian Delegation gave us today the following draft resolution which they are considering. They are also discussing this draft with the UK and USA Delegations and they would not intend to table it until there has been ample time to consider it carefully. Text begins.

"The General Assembly

Recognizing that there is a strong desire among people of all nations that steps be taken to safeguard against radioactive contaminations of man and his surroundings by increased uncontrolled atomic activity.

Recommends that the States concerned and particularly those on the Sub-Committee of the Disarmament Commission give particular and urgent attention to the question of establishing, as a step preliminary to other disarmament measures, a system for registration with the UN of such nuclear test explosions as will cause measurable radioactive fall-out outside the country directly concerned.

Requests the UN Secretary General and the UN Radiation Committee to cooperate with the States concerned in the establishment and operations of such a system with a view to keeping the total actual and expected radiation-situation in the world under constant observation."

399. DEA/50271-A-40

La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Delegation to United Nations General Assembly
to Secretary of State for External Affairs

TELEGRAM 168 New York, January 13, 1957

CONFIDENTIAL. IMMEDIATE.
Repeat Washington, London, Paris, NATO Paris (Information).

DISARMAMENT

This afternoon we met with the USA, UK and France to consider the question of a procedural resolution. We had before us the UK draft (our telegram 139 of January 11†) and some USA suggestions for making it more comprehensive. Stassen said that they were afraid that the UK resolution gave an impression of more agreement than actually existed. The USA would also have difficulty with the recommendation in paragraph ten of the UK resolution that the Subcommittee should give particular attention to the possibilities of achieving an agreed limitation of nuclear test explosions as a first measure in reducing the nuclear threat.

2. After some discussion it was agreed that a meeting of officials of the four delegations tomorrow would try to produce a new draft on which all four might agree.

3. Stassen and Lodge made it clear that they were shocked and disappointed by Kuznetsov's intemperate statement today. They had met privately twice with Kuznetsov and Sobolev to compare notes on disarmament, and the Russians, while speaking fairly frankly about the rest of their proposed statement had given no indication at all that there was to be this attack on the new USA Mideast policy.

4. Moch raised the question of seeking Soviet co-sponsorship of a procedural resolution and said that he thought the Russians were feeling very isolated and would welcome an opportunity to discuss the terms of a procedural resolution that they might cosponsor with the Western members of the Subcommittee as in 1954. Moch recognized that the circumstances were not very propitious for associating the USSR with the Western Powers as cosponsors of an Assembly resolution and there seems to us little likelihood that this is a serious possibility at this Assembly. Stassen and Lodge both made it clear that after today's statement they would not go out of their way to consult privately with the Soviet Delegation and we got the impression that, in view of the Mideast debate in Congress and the Hungarian situation the USA was, understandably, not much interested in cosponsoring a resolution with the USSR.

5. When the Western Subcommittee members have agreed on a procedural draft resolution the USA will probably press to have it tabled as soon as possible in order to have something to set against the two Soviet draft resolutions submitted today.

400. DEA/50271-A-40

La délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Delegation to United Nations General Assembly to Secretary of State for External Affairs

TELEGRAM 184 New York, January 15, 1957

CONFIDENTIAL. IMMEDIATE.
Reference: Our Tel 183 Jan 15.†
Repeat Washington, London, Paris, NATO Paris (Information).

DISARMAMENT — NORWEGIAN DRAFT RESOLUTION

Skaug and Engen of Norway called on the Minister this afternoon and asked our co-sponsorship of their resolution. They said they were prepared not to press the resolution to a vote if it turned out that there was general support for a purely procedural resolution and there were good reasons for not insisting on a vote. However they were anxious to register their views on the subject firmly and were inclined to think that there was certain to be insistence, by the Russians, the Indians or others, on a resolution of some kind on tests.

2. Mr. Pearson expressed our support in principle and said he would let them know, after he had had a chance to talk with our other colleagues, whether we could sponsor it. He thought there was a good deal to be said, if we went ahead, for having the Japanese co-sponsor, as they were in a strong moral position to lead Asian opinion on this subject. The Norwegians agreed.

3. Subsequently, in a talk with Lodge, Mr. Pearson spoke of this conversation. Lodge did not dissent and he recognized that a Norwegian-Canadian Japanese resolution in sensible terms might prove useful alternative if wilder proposals were inevitable. However, he still was hoping that we would get away with one procedural resolution and none of substance and asked us to delay a decision.

4. The First Committee will not meet until Wednesday afternoon. If, as seems likely, a plenary session is called on Thursday to discuss Israeli withdrawal from Egypt, there may be little further discussion of disarmament for days.

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401. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

SECRET Ottawa, January 31, 1957

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1. DISARMAMENT

United Nations Division: On January 25, the First Committee concluded its Disarmament debate and adopted unanimously a resolution sponsored by the five members of the Sub-Committee of the Disarmament Commission, Canada, France, the Soviet Union, the United Kingdom and the United States, and by seven others, Australia, Brazil, El Salvador, India, Japan, Norway and Yugoslavia. The resolution requests the Disarmament Commission to reconvene its Sub-Committee at an early date and to give prompt attention to the various proposals which have been submitted, a number of which are specified, and to the various views expressed in the debate; it recommends that the Sub-Committee make a progress report by August 1, 1957; and it invites consideration of the advisability of a special session of the Assembly or a general disarmament conference when progress justifies such a meeting.

At the opening of the debate the United States representative outlined proposals which are to be presented to the Sub-Committee when it meets in March in London. The six points emphasized in the statement were to the following effect:

(1) After an agreed date all future production of fissionable materials should be used or stockpiled for non-weapons purposes under international supervision.

(2) When effective control of future production of fissionable materials exists, nuclear test explosions could be limited and ultimately eliminated. In the interim there might be advance registration and limited international observation of all tests.

(3) Conventional arms and forces should be reduced, using as a basis of measurement for the first stage the figures of 2,500,000 for the United States and the Soviet Union and 750,000 for France and the United Kingdom, under an effective inspection system which concurrently would be established progressively.

(4) To ensure that future developments in outer space are devoted only to peaceful purposes, the testing of such objects as intercontinental missiles and artificial satellites should be under international inspection and participation.

(5) To provide against surprise attack there should be progressively installed inspection systems including mutual aerial reconnaissance and ground control posts.

(6) An international agency for the regulation of armaments should be installed concurrently with the beginning of the programme.

The Soviet Union representative emphasized the importance of the Soviet proposals of November 17, 1956. He also introduced three draft resolutions. The first proposed the immediate cessation of nuclear tests; the second called for the convening of a special session of the Assembly on the question of disarmament; and the third proposed the enlargement of the Disarmament Commission to include Egypt, India, Poland and a Latin American country and of the Sub-Committee to include India and Poland.

Canada, Japan and Norway co-sponsored a draft resolution which proposed that the Sub-Committee should give particular and urgent attention to the question of establishing as a preliminary step a system for the registration with the United Nations of nuclear test explosions. It further proposed that the United Nations Scientific Committee on the Effects of Atomic Radiation should cooperate with the states concerned in the operation of such a system with a view to keeping the total actual and expected radiation in the world under constant observation.

The debate was on the whole free from acrimony. Interest was principally directed towards the new United States approach, the provisions concerning Europe of the Soviet proposals of November 17 and the question of nuclear tests. On this last matter substantial support was expressed for the joint draft resolution of Canada, Japan and Norway. At the conclusion, by agreement among the sponsors, other draft resolutions were not pressed and the twelve-power procedural resolution, which had been evolved in extensive private discussions, alone was put to the vote. (UNCLASSIFIED).

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402. DEA/5475-GE-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM V-54 Ottawa, January [30], 1957

SECRET. IMPORTANT.

Reference: Our Telegram V-51 of January 28.†
Repeat Candel New York No. V-54. London, Paris, NATO Delegation (Information).

DISARMAMENT

The following are our suggestions for a memorandum to Stassen concerning nuclear tests. Begins:

The fundamental Canadian attitude towards nuclear tests was outlined in the general debate on December 5. Briefly stated it is that the complete cessation of tests can only be accepted as part of a comprehensive disarmament programme but that a separate agreement on limitations could be reached as an interim measure pending such a broader agreement.

2. The basic components of a limitations agreement might in our view be (a) a limit on the volume of radiation generated by test explosions over specified periods which might be about five years, (b) a system for the allocation of quotas within that total and (c) provision for the advance reporting of intended tests and a simple verification arrangement which might be merely the granting of an accepted international status to the existing national monitoring systems. Within this framework specific plans could be elaborated on the basis of the information which is available only to the nuclear powers.

3. It is not the intention of Canada to make further public statements which would go beyond what was said on December 5 until there have been discussions with the United States, the United Kingdom and France or until there is substantial additional evidence from scientific sources. The initiative which Canada has taken in this matter is compatible with our broad policy of seeking, particularly in the United Nations, for ways to satisfy the legitimate aspirations of the new nations of Asia and Africa without impairing the interests of other friendly governments. It is evident that these nations as well as others are exposed by the sovereign acts of the testing powers to whatever may be the degree of hazard involved in the radiation generated by tests. The only recourse these nations have is to the United Nations. It appeared to us to be desirable to make some response to a demand which has been growing for nearly three years in order to have an opportunity of moderating and guiding the direction of that demand.

4. In joining with Norway and Japan in the sponsorship of the more restricted proposition of a system of registration, we took into consideration the influence which Japan would have in Asia for the acceptance of this arrangement as an initial measure. A first agreement on this basis would receive Canadian support. However, we consider it desirable to explore fully the possibility of going somewhat further and reaching an agreement on limitations.

5. On the basis of the advice available in Canada, we do not feel able to take a dogmatic attitude about the stage at which the radiation released by test explosions may become a

health or a genetic hazard. However, because of the lack of agreement among scientists about future possibilities it appears desirable to us to set some bounds to acts whose effects are irreversible as far as is known now. Moreover, the average measured incidence of radiation throughout the world appears to have been substantially exceeded at times in certain areas and this has to be taken into consideration. Nevertheless, we are prepared for the present to be guided by the views of those experts who maintain that the hazards are not serious if the present rates of testing are not exceeded.

6. When the Canadian position was under consideration great weight was given to the necessity of ensuring that our principal allies are not impeded from maintaining an effective deterrent or from developing interception weapons, particularly for air defence. From this point of view we have not seen persuasive objections to a separate advance agreement on limitations.

7. The foregoing reflects our approach to point five of the revised United States memorandum of December 27, 1956. We think there are no differences over the conditions for eventual elimination of tests or over registration as a possible first step. However, we would like to understand more fully the United States position on limitations and the security and political considerations which led to its adoption.

8. With regard to the text of the memorandum we would welcome an indication of how the word "implementation" is to be understood, having regard to the statement that "reductions would be made on a long-term basis over many years". The other point on which we seek elaboration in this matter is the general nature of what would be regarded as "an effective inspection system" for an agreement on limitations of tests.

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403. DEA/50271-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM V-67 Ottawa, February 6, 1957

SECRET. IMMEDIATE.
Reference: Your Telegram 237 of February 1.†
Repeat Candel New York, London, Paris, NATO Delegation (Information).

DISARMAMENT

We agree that the imminence of the negotiations with the Soviet Union makes it desirable to go beyond the seeking of clarifications and to take some more positive position. However, we trust you will leave Stassen with the impression that we are hopeful of receiving further elucidations of their present line of policy.

2. The problem of assessing the underlying assumptions of the United States memorandum arises in part out of the blanket reservation placed on their proposals and positions prior to July 1955. While there were always tacit reservations in the sense that those positions were not binding until written into an agreement, previously it was reasonable to assume that positions were still held unless notice was given to the contrary. Such assumptions now do not appear to be warranted.

3. Moreover, we imagine that the various "task forces" which have been at work under distinguished leadership during recent months have done valuable work which may have modified some of the earlier premises of the United States. We presume that the United States memorandum is a distillation of the product of the labours of these groups. However, its terms are so terse that it is open to interpretation on the basis either of the former United States positions requiring, for example, far reaching powers and discretion for a control organ or of a substantially revised attitude of a less doctrinaire nature. As you are aware, it was not possible for several months prior to December to gain any inkling of how United States policies were developing. We therefore think it most desirable to take the fullest advantage of the present readiness of Stassen and his group to expound their policies and the rationale behind them.

4. It has not been our thought that a firm blueprint on all points need be developed. However, it has appeared to us to be both possible and desirable to exchange ideas and preferably to agree among the four on something more specific than the United States memorandum before entering into negotiations in the Sub-Committee.

5. Although we have presented many questions and requests for clarification, we are in principle quite prepared to proceed on the basis of the United States memo as hitherto explained. We trust that you will make it clear to Stassen that we find the proposals generally acceptable and appreciate the readiness he has shown to include suggestions in the version of December 27.

6. The principal remaining difficulty was indicated in paragraph eight of our telegram VV-5 of December 12. Stassen's attitude, as outlined in paragraph seven of your telegram 2346 of December 19,† is logical enough and would be satisfying if we, like the United States, had in existence the basis for proceeding with the manufacture of the necessary weapons in the event of an ultimate breakdown of a disarmament agreement. However, it would be desirable for you to reiterate that our defence authorities remain concerned that weapons which the United States regards as indispensable for its continuing defence should not become inaccessible to Canada through the acceptance and implementation of a disarmament agreement in combination with a United States policy of not furnishing such weapons to other governments.

7. The second important matter on which we have reservations is the timing and conditions of limitations on nuclear tests. Presumably Noble raised this question during his talks and possibly the difference in this respect may be diminishing. The best course may be simply to present the memorandum on this subject which you have prepared.

8. We have inferred from your previous telegrams that the United States contemplates presenting to the Soviet Union something rather more elaborate than a revised version of their memo. In considering what might be done, it occurred to us that something along the lines of the memo might serve to present the outline of the main processes of disarmament over the course of some years and that it might be supplemented by something more specific relating to the measures which might be included in a first stage plan. We have accordingly drafted two papers† to indicate in a positive way the sort of submissions to the Soviet Union we think it would be desirable to agree upon. These papers are being transmitted to you separately.

9. Both of these papers are of a tentative nature although they have the concurrence of the Defence Department. They are not the only versions of what we would be prepared to support. The variations from the United States text in the first paper are largely directed towards achieving greater clarity. Both papers should be read in the light of our exchanges with you. We would be happy to see the second paper developed and enlarged but did not

feel able to make a fruitful attempt before receiving some intimation of the present United States thinking on control, which all agree to be the central cause of disagreement.

10. If you think it appropriate to convey the texts of either or both of these papers to the United States you should make it clear that to a considerable extent their preparation was an exercise in the understanding of their memorandum.

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404. DEA/50271-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 297 Washington, February 9, 1957

CONFIDENTIAL. IMPORTANT.
Reference: Your V-67 Feb 7/57.
Repeat London, NATO Paris, Paris, Permis New York (Information).

DISARMAMENT

At our meeting yesterday Stassen answered some of the points raised in the two informal memos and in the list of questions which we had recently submitted to his office.

2. On the question whether the USA would be prepared to reach an initial agreement confined to the conventional field, his answer was yes, provided such agreement were sound in itself and likely to lead on to broader agreement. It should be an agreement which would to some extent increase mutual security and certainly one which would not decrease security. The first step which the USA would like to see taken in the nuclear field would be the setting up of inspection on production of fissionable materials which could halt the build up of weapons stock piles.

3. He also confirmed that "non weapons purposes" in the latest USA proposals does not exclude nuclear power plants of defence significance and propulsion units for military aircraft or naval vessels. They were thinking primarily of explosives. He added, however, that the USA did not exclude the possibility of some later and separate agreement which might cover military propulsion units.

4. On the question whether under the latest USA proposals existing stock piles of fissionable materials could be used for modernizing weapons or developing new weapons his answer was an unqualified yes. On this point, he went on to make it quite clear that the USA did not envisage any physical controls or inspection on stock piles on past production of fissionable material. Under the USA proposals he said fissionable materials would be in two parts:

(a) Current production and production which had been transferred to non weapons purposes.

This part would be controlled.

(b) Previous production which would not be under control.

The use made of the second part would be entirely up to each nation possessing it. Since effective controls on the second part were not technically possible, the USA would not wish to attempt to have any controls.

5. We raised the question how the amount of transfers to non weapons purposes could be worked out in the absence of any accurate check on past production. He replied that we should have to depend on the report of each country on what it has produced and on our best estimate of the amount of its past production. We would be in a better position to make such an estimate when we have in operation a system for inspecting and controlling current production. He added that in the USA view the nation with the largest amount of past production would make the largest annual transfer although no precise formula for calculating such transfers had been worked out.

6. He also commented on the meaning of "implementation" in connection with the proposals that limitation of nuclear test explosions is possible only after implementation of the agreement to use future production of nuclear materials solely for non weapons purposes, and of the agreement on transfers from past production to non weapons purposes. Implementation in respect to the cut off from weapons uses means getting the inspection apparatus in place ready to operate; implementation in connection with the transfer means the reaching of agreement on the formula for transfers and perhaps the completion of the first slice of transfers.

7. He then commented on the proposal for registration and limitation of tests. He said that the Canadian, Norwegian and Japanese initiative in the Assembly had been constructive and suggested that it had helped to get this rather sensitive matter past the 11th Session of the General Assembly. He said that while their study was continuing the USA still regarded it as unsound to accept limitation of tests in advance of an agreement limiting the nuclear threat. He pointed out some serious difficulties of any limitation plan which did not involve a substantial control apparatus. For example, long range monitoring such as is now carried on, might reveal the fact of an explosion but would not allow us to judge accurately the scale of the explosion, although this latter point would be essential in connection with any scheme for limitation of explosions. There would also be a political difficulty if a claim about an explosion were based only on national monitoring. Unless there were some form of international inspection we would have claims and counter claims about explosions which would not improve international relations and might increase tension. The requirements for advance registration might be of some assistance but would not meet the need for short range monitoring.

8. He added, in connection with tests, that in any event, USA plans for the next stage of testing would be limited to their Nevada field and implied that they would be on a relatively small scale.

9. At this point I outlined briefly the two new Canadian papers mentioned in the final paragraph in your telegram V67. I made it clear that these were tentative and provisional and that they were intended to some extent to clarify the USA proposals and to determine whether we were interpreting these proposals in the same way as the USA. I also reiterated the concern of our defence authorities that nuclear weapons should not become inaccessible to Canada through acceptance of a disarmament agreement in combination with the present USA policy of not furnishing such weapons to other countries. Stassen's reply on this point was to the effect that nothing the USA proposed on disarmament would be inconsistent with their defence policies and that the Defence Department was closely associated with all decisions on disarmament proposals.

10. I then left the two Canadian papers with Stassen and he said that he would be in touch with us again when they had studied them. These papers seem to us to be a very useful and clear statement of the main current disarmament proposals and we had decided that on the whole it would be more effective to leave them with Stassen for study rather

than merely to outline them orally. The versions left with Stassen were slightly altered in accordance with the phone conversation with Campbell today, and Captain Ellis will be taking back to Ottawa this weekend copies in their final form.

11. Although we had deleted from the second paper the reference to the Soviet proposal for a limited air inspection zone in Europe and also the reference to the Arctic, I mentioned to Stassen that in our view such proposals might be part of the progressive installation of the open skies plan on a geographic basis.

12. In the light of what Stassen had told us earlier in the meeting it seemed certain that the USA would not accept the clear implication in both these papers that stock piles of past production would have to come under control and inspection. Nevertheless, I thought it useful that Stassen have the papers in this form in the hope of eliciting a more specific and detailed statement of the USA position. We also asked for any further detail that could be made available in response to our earlier memo on controls.

[A.D.P.] HEENEY

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405. DEA/50271-C-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM V-122 Ottawa, March 7, 1957

SECRET. IMPORTANT.
Repeat Permis New York, Washington, Paris, NATO Paris (Information).

DISARMAMENT — U.S. PROPOSALS

Following for Johnson. We consider the U.S. proposals to offer a generally acceptable basis for common initiative and Stassen has been informed to this effect. He has also been informed on the points we continue to find obscure and on those where we hope some changes may be possible to meet our views. We had hoped and expected that by now a further revision of their memo in Washington telegram 2393 of December 29 would be available. Since this is not the case it may be useful to review briefly the points in that draft which are of most concern.

2. The most important point derives from the view of the Department of National Defence that nuclear weapons are likely to offer the most suitable means for providing for our air defences in the North. Under the U.S. proposals following the target date mentioned in their point three the present nuclear powers would retain substantial stocks of nuclear weapons for an indefinite period while other powers would have at best little scope for equipping themselves similarly because all future production would be devoted to non-weapons purposes. It is clear that there are great advantages in measures to ensure that nuclear weapons do not fail into irresponsible hands and that the nuclear powers are limited in number. Nevertheless, our defence authorities are concerned that weapons which the United States regards as indispensable for its future air defences should not become inaccessible to Canada through the acceptance and implementation of a disarmament agreement in combination with a U.S. policy of not furnishing such weapons to other governments.

3. It is the Minister's view that it would be undesirable to oppose this aspect of the U.S. plan because of contingencies perhaps ten years in the future for which satisfactory arrangements can in all probability be made in the intervening period. There are mounting pressures to change the U.S. legislation and it is reasonable to suppose that some kind of liberalization will not be too far behind the plans for equipping NATO forces with dual purpose weapons. However, it would be appropriate for you to keep up the pressure on this question using substantially the formula in the last sentence of the preceding paragraph.

4. The second important point on which we differ with the U.S. proposal is the stage at which limitations could be imposed on nuclear tests. The basis for a memorandum on this question which was handed to Stassen is in our telegram V54 of January 30 and his answers are in Washington telegram 297 of February 9.† Our examination of this reply and his earlier remarks on the matter in Washington telegram 2346 of December 20 leave us with the impression that Stassen is still under the shadow of Stevenson's presidential campaign speeches.

5. It should already be sufficiently clear to Stassen that our general purpose in advocating a limitations agreement at the present time would be to ensure that the rates of testing which have hitherto prevailed are not exceeded. This position is based on the reports of the British Medical Research Council and the U.S. Academy of Sciences after extensive consultations with the radiation experts of National Health and Welfare whose views rest upon both a series of international conferences on radiation last fall as well as their discussions with the Chalk River experts on biological hazards. Stassen has at no time indicated that the U.S. intends to exceed these rates or desires to retain full freedom to intensify their testing programme. We trust that they have no such intention or desire since competent scientific opinion is not prepared to give reassurances about the health and genetic hazards if radiation is generated more rapidly than at present.

6. We find the difficulties he raises about the kind of controls which would be necessary for ensuring observance of a limitations agreement to be bordering on the disingenuous when they are set alongside the apparent U.S. position that existing stockpiles should be exempt from control. Our broad concept of the appropriate control has been that some form of international status could be accorded to existing monitoring systems to minimize the kind of controversies he mentioned.

7. Because Canada has publicly held the position since last July that limitations on tests need not await a broader disarmament agreement, it would be very difficult for us to endorse paragraph five of the U.S. memorandum as now drafted. That paragraph would be acceptable with the deletion of the words "limited and" from the first sentence. However, we would prefer to see a more positive turn given to the reference to registration. We would also like to have a reference to limitations included. It may be that the redraft contained in our telegram V68 of February 6† would be acceptable to the U.S. if the words "not later than the target date" were to be omitted.

8. The next point which has been exercising us relates to the apparent intention of the U.S. to exempt existing stockpiles of nuclear materials and weapons from physical controls. Our telegram V109 of March 1† and Washington telegram 530 of March 6† refer. We agree that the impossibility of ensuring the detection of all stocks creates difficulties. It may be the case, although on this question we have reservations that any system for international accounting of the quantity location and movement of existing stocks would do little good. However, we see a real distinction between the problems of the nuclear control system and the problems of protection against surprise attack.

9. It seems to us that the implication of the U.S. position is that international inspectors could be barred from entry into certain facilities in an airfield complex on the grounds that those facilities were for the storage of nuclear weapons. This was the main point we had in mind when expressing our doubts in telegram V109 that the weapons which would be of the greatest significance in a surprise attack should be outside the control system. The consequences of such a policy for the nature and extent of the powers of inspectors with respect to other weapons and facilities seem to us to be very considerable.

10. In this connection you will observe that in the U.S. memorandum of August 30, 1955 outlining the plan for implementing the Eisenhower proposals (Annex 20 to the second report of the Sub-Committee) it is clearly stated that "weapons and delivery systems suitable for surprise attack" should be disclosed and "verified and maintained under surveillance".[90] This paper, incidentally, postdates Stassen's reservations on previous proposals.

11. It may be that we have not yet fully comprehended the U.S. position on this aspect of control. The foregoing point was not elaborated in our telegram V51 of January 28† which was the basis of a memo to Stassen because we had taken it for granted that particular attention would be given to nuclear weapons in the system for protection against surprise attack. Our difficulties arise in part from the fact that we have been given only occasional and partial indications of the present U.S. theories of control despite the best efforts of the Embassy in Washington to extract their views.

12. Until the whole matter of control can be clarified it is our hope that whatever may be written into a document or stated by any of the Western representatives will be as ambiguous and obscure as possible on the subject of the functions of the surprise attack protection system with regard to existing nuclear weapons and stockpiles. Special obscurity would seem to be desirable in connection with the meaning of disclosures and their verification.

13. The foregoing summarizes our concern on the three principal points. An additional minor matter is that we think it would be preferable to omit from a summary outline of substantive proposals to be embodied in an agreement any reference to procedures for nullifying that agreement. We think this is a standard clause and would prefer to see point seven deleted.

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406. DEA/5475-GE-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM V-141 Ottawa, March 17, 1957

CONFIDENTIAL. IMMEDIATE.

Reference: Your Telegram 463 of March 14.†

Repeat Permis New York, Paris, Washington, NATO Delegation (Information).

By Bag Tokyo and Oslo.

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[90] Voir *Document relatifs au désarmament 1954-1959*, pp. 55-57.
See *Documents on Disarmament 1945-1959*, Volume 1, pp. 501-503.

DISARMAMENT — NUCLEAR TESTS

Following for Johnson. It is the Minister's view that you should press hard on the subject of tests in the Sub-Committee and not be deflected too easily from this purpose by any reservations on the part of your colleagues. It would therefore appear desirable in your opening statement to make it clear that the Canadian Delegation fully expects that the Sub-Committee will respect the unanimous resolution of the General Assembly and give prompt attention to the various proposals listed in that resolution including the joint proposal of Canada, Japan and Norway. This incidentally is an additional reason for our opposition to refusal to discuss any part of the Soviet Union proposals.

2. In order to cement our alliance with the United Kingdom on this question it might be appropriate to indicate that Canada noted with satisfaction Nutting's statement in the Commission last July relating to the British readiness to approach the question of limitations on tests separately if a broader agreement should not be possible. Following Eden's statement on similar lines a fortnight later the Minister stated in the House our support for the British position.

3. It would perhaps be fitting to outline briefly the rationale behind our attempt to promote limitations. On the health and genetic side our scientific advisers have accepted essentially the conclusions of the reports of the British Medical Research Council and the United States Academy of Sciences, namely that no serious somatic or genetic danger according to the present state of knowledge is to be expected if the rate of testing which has hitherto obtained is not exceeded. Such reassurances, however, are not forthcoming in connection with increased rates in the generation of radiation. We therefore consider that, as an interim measure pending either advances in knowledge of radiation effects or more far-reaching disarmament agreements, it would be desirable to ensure that the present rate of testing is not stepped up.

4. On the other hand as a practical matter we recognize that there are valid reasons in a divided and mistrustful world for the powers possessing nuclear weapons to ensure through tests that those weapons are as effective as possible. Our own interests are directly served by the effectiveness of the deterrent to aggression which the nuclear arsenals of our allies provide and by the development of nuclear defences against aerial attack. Therefore we do not propose and, indeed, we oppose the complete cessation of tests except as a part of a disarmament agreement which would provide measures to diminish the threat of nuclear attack.

5. There appears to be no widely accepted scientific reason for insisting on a substantially lower rate of artificial generation of background radiation. It can hardly be argued that the needs of defence programmes would be materially impeded if tests could be continued at substantially the present rates. It accordingly seems to us that it should not be difficult for the powers concerned to agree to meet both the objective scientific situation and the reasonable requirements of defence. In our view neither the extreme of immediate and complete cessation of tests nor the retention of full discretion by the testing powers is satisfactory since one neglects defence needs and the other the warnings of competent scientific opinion. Canadian representatives have therefore been advocating and will continue to advocate early limitations on nuclear tests within a broad framework if possible and separately if necessary.

6. We would think it advisable to keep some argumentation in hand for a later stage and in your opening statement something of about the foregoing dimensions should be adequate. However, it would probably be as well also to suggest how discussion of this matter might in our view be ordered in the debate. We hope that the general discussion of the

United States and Soviet Union proposals will promise that the basis for an initial agreement exists and can be developed into an international instrument in the months immediately ahead so that at least a partial plan for disarmament might begin to be implemented perhaps early next year. We assume that any such agreement would include provisions relating to nuclear tests and accordingly that the question would be dealt with in the general discussion. However, should it prove, despite the best efforts of all concerned, that the basis for even a very limited disarmament agreement cannot be found in this session of the Sub-Committee the Canadian Delegation would expect the other delegations to be ready to consider whether something could be agreed in the matter of nuclear tests.

7. You might also inform the Sub-Committee that we contemplate laying before it at the proper time a document relating to nuclear tests which will, we hope, reflect the views of Japan and Norway. (In this matter it would doubtless be desirable to reassure the United States that we intend in this paper to stay within the policies to which we are already publicly committed and that we hope our action will continue to have the effect of moderating the demands for more extensive action). We think it would be desirable to be imprecise in your statement as to whether our paper will be concerned with limitations or registration and whether there might be two papers. We have in mind consulting the Japanese and Norwegians concerning the contents of a paper on registration and also preparing a paper on limitations. We presume that there is no great urgency about the production of texts because of our expectation that the appropriate time for their submission will be fairly well on in the session.

8. We regret the lateness of the arrival of this material but trust that it will suffice for a passage on tests in your opening statement. As indicated above we plan to provide in good time further debating material and one or two papers which might be submitted. In the interim, during the discussion of the United States and Soviet Union plans, as we see it, our purposes should be served adequately by brief reference to our known position on tests in connection with the relevant clauses of those proposals.

9. We would welcome your observations on the contemplated tactics and on the type of additional material which you think would be useful both for private consultations with your Western colleagues and for the Sub-Committee discussions.

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407. DEA/50271-C-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], March 21, 1957

NUCLEAR TESTS

Conversations which Mr. Johnson has had in London with the British, French and U.S. representatives make it unambiguously plain that no support will be forthcoming from any of the three for a proposal for limitations on nuclear tests. As Mr. Johnson notes in his report (London telegram 531 of March 19† attached) the British are having second thoughts and the Government seems about to alter their position. The reason appears to be that they have encountered serious technical difficulties in trying to work out schemes for the control of limitations.

On the other hand the idea of registration of tests apparently will receive general Western support.

The question arises whether in the face of this total absence of prospective support it is worthwhile attempting to promote in the Sub-Committee at this session any scheme for limitations on tests. It would appear that the British have now adopted the U.S. attitude that quite an elaborate control system would be essential. It has been our understanding, after our departmental discussions with National Defence, that no elaborate control system for limitations would be necessary because of the ease of detection of all except relatively minor explosions. Mr. Stassen has, however, mentioned in London a United States belief that a country setting out deliberately to do so could conceal quite large test explosions. He has suggested (London telegram 536 of March 20† attached) that the United States might send a technical expert here to outline in detail the U.S. difficulties on limitations and is proposing this to Washington. It seems to me that it would be helpful to our understanding of the U.S. position if this were done. Indeed, I infer from Mr. Johnson's two messages that it may have been Sir William Penney's recent access to this kind of information which has affected the British position. If you agree that we should take advantage of Stassen's suggestion you may wish to authorize the attached telegram† advising Mr. Johnson that we appreciate the offer and would be happy if such an expert could come here in the next few days.

Quite apart from what may be gleaned from an expert regarding the technical considerations there is the political question of the desirability of pressing for limitations in the face of solid resistance on the part of the U.S., the U.K. and France. I am reluctantly moved to accept the conclusion that little can be accomplished for the present in the Sub-Committee by insistence, particularly as we had had in mind relying upon the U.K. for technical as well as political support. In the expectation that in these circumstances you would wish to relieve our London delegation of what is promising to become a difficult and unrewarding burden I have put a suitable passage in the telegram accepting the offer of the expert.

It does not seem to me to be necessary as yet to decide whether or not further statements should be made, by way of general advocacy, of limitations in the Sub-Committee. If the United States sends their expert here that matter can perhaps be decided after consideration of the political and strategic importance of the technical information he conveys.

At any rate we can take some satisfaction from the suggestion for a four-Power working party in London which would endeavour to produce a proposal on registration of nuclear tests and from the circulation by the U.K. and U.S. of papers on this subject. These developments will, I think, enable us to discharge whatever obligation we have towards the Japanese and Norwegians arising out of our co-sponsorship with them of the draft resolution on registration as well as to take some modest step towards setting bounds to the potential hazards from rising levels of radiation.

R.M. M[ACDONNELL]
for Under-Secretary of State
for External Affairs

408. DEA/50271-C-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM V-177 Ottawa, March 28, 1957

CONFIDENTIAL. IMMEDIATE.
Reference: Your Telegrams 566† and 575† of March 25.
Repeat Washington, Paris, Permis New York, NATO Delegation (Information).
By Bag Moscow.

DISARMAMENT — NUCLEAR TESTS

For Johnson. In the expectation that nuclear tests might come up first we have been pressing on with this topic. We have no definite word yet about the arrival of the U.S. expert. Pending consideration of such technical revelations as we may receive we have no grounds for recommending a change in the policy we have been following with regard to limitations. However, as indicated by the Minister in telegram V-156 of March 21† active pursuit of that policy in the Sub-Committee should for political reasons be suspended for the present, although we realize that you are thereby left in a somewhat difficult position.

2. Statements made by the British at Bermuda in connection with concealment of tests appear to go rather beyond Stassen's remarks mentioned in your telegram 536 of March 20.† They are even more difficult to reconcile with Matteson's remarks noted in your telegram 553 of March 21.† The indefinite state of our technical information and the varying assessments of its importance are additional reasons for suspending advocacy of limitations.

3. If there should be any remarks from Zorin about your silence on this question it would appear satisfactory to state that the general Canadian position was put forward by you at some length on March 21 as well as in the General Assembly and that so long as the Soviet response is wholly negative there seems to be little profit in more detailed elaboration.

4. With regard to registration the outline given in our telegram V-169 of March 22† was accepted in the working group. In view of the request in your telegram 575 we will send you a paper along these lines if possible later today.

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409. DEA/50271-C-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM V-187 Ottawa, March 29, 1957

SECRET. IMMEDIATE.
Repeat Washington, Paris, NATO Delegation, Permis New York (Information).
By Bag Moscow, Oslo and Tokyo.

DISARMAMENT — NUCLEAR TESTS

For Johnson. Our immediately following telegram† contains the text of a draft working paper on the registration of nuclear tests. It takes into account the U.K. and U.S. papers and the Norwegian material in Candel telegram 117 of January 10† and follows the line of our comments in telegram V169 of March 22.†

2. You will note that despite the U.S. attitude reported in your telegram 575 of March 25† this draft retains the concept of advance notification of the estimated yield in fission products which would be of international concern. It seems to us that if registration is not to degenerate into a charade there must be some serious information submitted. The estimates suggested in points F to K of paragraph four represent the kind of meaningful information in which the international community has a legitimate interest. If such estimates are refused the dominant opinion seems likely to be that such information is concealed because of its alarming nature and not because of military security considerations.

3. We cannot lightly abandon the attempts to ensure that registration proposals which deal with more than places and dates are put forward. It was our impression that the Norwegians did not give up their desire to advance a more substantive proposal nor the Japanese theirs to press for a vote in the Assembly until there was an intimation that the matter would be given constructive attention in the Sub-Committee. Having had an active part in the New York negotiations we must strive for a plan with real substance if only to maintain our credit.

4. If the U.S. holds a strongly negative view on the question of an estimated yield in terms of fission products perhaps they would agree to an estimate in terms of equivalent kilotons which we understand might be more acceptable from the point of view of military security. In such an event the estimates in points H to K might be presented in percentages or in some other indirect way. However such a system would be less satisfactory than the use of absolute terms.

5. Should the provisions for submission of such information in any form be rejected we must reserve the right to advise our co-sponsors of the kind of proposals we have advanced. The problem of how to convey the negative attitude of our partners in the Sub-Committee to our co-sponsors was raised yesterday in our telegram V182.†

6. The working paper is however intended to be suggestive rather than definitive. In addition to insisting on the necessity of including real information in the registration process we would like to see maintained the idea in the introduction concerning the desirability of international arrangements to assist testing powers in the exercise of their responsibilities. We hold no special brief for paragraphs nine and ten which are adapted to our context from the U.K. paper. However it seems to us that paragraph eight which also comes from the U.K. paper is logical and appropriate.

7. In our final review of this draft paper we have taken into consideration Longair's two memoranda in your telegrams 588† and 593† of March 28. We have also borne in mind Matteson's private observation to you about not being too easily deterred. Having retreated on the question of a proposal on limitations concerning which our policy was not reached hastily or frivolously but after extensive consideration in the light of the best scientific and military advice available to us, we trust that this paper will receive careful attention. We quite understand the difficulty of repeatedly urging views at variance with those of your colleagues. However this particular matter is of more than transient importance and worth pressing.

410. DEA/50271-C-40

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT 76-57 Ottawa, March 29, 1957

SECRET

PROPOSAL FOR ZONES OF AERIAL INSPECTION

The Canadian Representative on the Sub-Committee of the Disarmament Commission of the United Nations has reported on a possible plan for progressive aerial inspection which was outlined to him by Mr. Stassen, the United States Representative. Mr. Stassen has asked whether the Canadian Government could approve that part of the plan which deals with the North American continent, and, if so, whether the Canadian Government would consider taking the initiative in introducing it in the Sub-Committee.

The proposal calls for the establishment in a first stage disarmament agreement of zones of aerial inspection which would then be expanded as disarmament progressed. The two zones suggested as first steps are:

(a) A North American and Asian zone extending from the North Pole to 45 degrees north latitude, and from 120 degrees west longitude to 150 degrees east longitude;

(b) A European zone extending from the North Pole to 45 degrees north latitude, and from five degrees east longitude to 30 degrees east longitude.

The accompanying map† shows that on the North American continent zone A would include the whole of Alaska, part of the Yukon and North West Territories and all but the south-east corner of British Columbia, and would extend approximately as far south as Portland, Oregon. On the Siberian side it would extend approximately as far west as the port of Magadan, including the whole of Kamchatka and the eastern end of Siberia, and as far south as the latitude of the tip of Sakhalin Island. Zone B would include virtually all of Scandinavia but exclude the United Kingdom. Its western boundary would proceed south on a line running close to Amsterdam, Brussels and Dijon to a point somewhat south of Lyons. On the east it would run on a line slightly west of Leningrad and Kiev to a point a short distance south and west of Odessa. It would thus include all or part of most of the countries of Central Europe but would designedly exclude Moscow, Paris and London.

The United States does not regard the definition of the above zones as rigid or finally decided. The plan is flexible as to the details of the exact definition of the zones, which could be adjusted if that were thought necessary to protect Canadian interests. They have been designed, with a view to protecting security, to include the major forward bases and staging areas at the two points at which the Western Powers and the Soviet bloc come into closest contact. The U.S. did not consider it realistic to propose including such important areas in the U.S.S.R. as Kamchatka without going as deeply into Canadian and U.S. territory as they have suggested.

If the question of subsequent zones should arise, the U.S. attitude is that a sound balance should be maintained on both sides, perhaps in an additional zone in the Arctic or an expansion of the European zone, or by inviting the Soviet Union to put forward its own suggestions.

Aerial inspection in the two proposed zones would begin simultaneously with the commencement of armament reductions and the operation of other controls. The development of aerial inspection would follow the natural progression of establishing bases in the two areas, providing inspecting aircraft and personnel, setting up a monitoring system by the host country, etc.

No special plan for ground inspection and control in the proposed zones is envisaged, as the concept of geographically unlimited ground inspection would apply to these areas as it would to the territories of all signatories to the agreement. Indeed, eventually ground inspection might be less detailed in the areas covered by aerial inspection, as the latter would provide great security against surprise attack and thus reduce the importance of minor violations.

The United States would not wish the above plan to be put into operation until the Soviet Union has agreed to a world-wide limitation of conventional forces (at the 2-1/2 million man level for the U.S., U.S.S.R. and China and 750,000 for the U.K. and France) and armaments, and until there is agreement on geographically unlimited ground inspection.

Our military advisers are agreed that any plan for aerial inspection would result in greater intelligence benefits for the West than for the Soviet Union; this is particularly true of a plan which would include the Chukotski district of the Soviet Union, as it contains important forward bases which would be of the first importance in any assault in North America. The present plan appears more realistic than further attempts to secure the full and immediate application of President Eisenhower's "open skies" plan, which would begin with aerial inspection of the entire home territories of the United States and the U.S.S.R. It also appears to have better balance and to be more acceptable to the Soviet Union than an earlier suggestion for aerial inspection within the Arctic Circle.

I conclude that Canada would have more to gain than to lose if the proposed plan were put into operation. I would further hope that the proposals, if accepted by the Soviet Union, would provide a dramatic and yet sound step towards substantial disarmament by initiating measures for the development of mutual confidence.

I am doubtful of the advisability of the Canadian Representative assuming the responsibility for the introduction of this proposal. Many technical questions are likely to arise which it would be necessary for the U.S. Representative to answer. However I regard the proposal as sound and am of the opinion that it would be desirable to co-sponsor it.

I therefore recommend

(a) that that part of the plan which relates to North American be approved; and

(b) that co-sponsorship of the plan in the Sub-Committee of the Disarmament Commission be authorized.[91]

L.B. PEARSON

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[91] Ces deux recommandations ont été approuvées par le Cabinet le 4 avril 1957. Le Cabinet a ajouté que « the proposal as a whole should be discussed in the North Atlantic Treaty Organization before being put forward in the Disarmament Sub-Committee. »
These two recommendations were approved by Cabinet on 4 April 1957. Cabinet added that "the proposal as a whole should be discussed in the North Atlantic Treaty Organization before being put forward in the Disarmament Sub-Committee."

411. DEA/50271-C-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 673 London, April 5, 1957

CONFIDENTIAL. PRIORITY.
Repeat Permis New York, Washington, Paris, NATO Paris (Information).
By Bag Moscow from London.

DISARMAMENT NUCLEAR TESTS

Following from Johnson. A brief review of this subject may help in the re-assessment of our position made necessary mainly by developments in the UK attitude.

2. The UK position as we understood it until sometime last month was that there might be a separate scheme for limitation (but not cessation) of nuclear test explosions in advance of other disarmament measures. It was apparently the UK view that elaborate control would not be needed. Long range monitoring outside the boundaries of the USSR, would be adequate. Sometime before the Bermuda Conference UK officials began to hint at new technical difficulties which made control much more difficult and made a separate agreement on limitations seem unlikely. The main technical difficulties seem to be (a) the size of the bang, that is the megaton equivalent force of the explosion, is no longer a reliable guide to the amount of dangerous radioactive fission products produced. Therefore a limitation scheme based on the megaton equivalent of the explosion (apparently the only practical criterion if long range monitoring is to be relied on) is no longer satisfactory since it would not distinguish between clean bombs and dirty bombs; and (b) other methods of measuring fission products (at long range) limitation, such as attempts at direct measurement of the amount of fission products distributed around the world are slow and inaccurate. It might take a long time after a test had been detected to make any estimate of the additional fission products of general international concern and it would then be impossible to demonstrate indisputably that any increase was due, for example, to a Soviet test rather than to some other test. (Close or diagnostic analysis of the explosion or weapon is of course ruled out of our original limitations scheme).

3. A further technical argument, namely that some tests might not be detected at all, seems to be relevant more to the Soviet proposal for complete cessation than to the scheme for limitations. Tests which were too small to be detected might nevertheless make valuable contributions to a country's military knowledge.

4. The Anglo-American Bermuda communiqué[92] was interpreted by the UK Disarmament Delegation as public recognition of this new situation, i.e., a shift in UK policy away from their earlier support for a separate and relatively simple limitation scheme. There seemed to be no suggestion that the USA had made any concession on tests at Bermuda. While the communiqué endorsed the idea of registration of tests both the UK and USA had already done this publicly before Bermuda. Registration and limited international observa-

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[92] Voir/See *Documents on Disarmament 1945-1959*, Volume 2, pp. 772-773.

tion are both explicitly part of the current USA proposals on the whole nuclear problem as tabled by Lodge in the General Assembly on January 14.

5. The subsequent explanations of the communiqué given in the House of Commons by the UK Prime Minister and Foreign Secretary[93] and in the Sub-Committee by Noble somewhat soften the first explanations of the communiqué which we had received here. The official view now is that the communiqué does not necessarily rule out an agreement of limitations separately from other disarmament measures, but only stresses that because of the new technical difficulties the necessary control of a limitations agreement is much more difficult than had originally been envisaged. Canada of course had never suggested uncontrolled limitations. Our statement in the General Assembly on December 5 referred to verification and I think that we had not spelled out publicly the amount of control needed, although we had I believed privately shared the earlier UK view that long range monitoring would be sufficient.

6. In his talks with us from the first appearance of the Anglo-American Bermuda communiqué, Stassen has taken the slightly less rigid line adopted by UK ministers on their return. He has stressed that the communiqué meant that limitation was not possible in the absence of more general nuclear control arrangements. He said this did not necessarily mean in the absence of other measures of disarmament, although nothing Stassen has said would be inconsistent with the public USA policy that limitation of tests can come only as part of a more general agreement on the control and production of nuclear weapons and on transfers to peaceful uses from past stockpiles of fissionable materials. Our Embassy in Washington has now been given an interpretation of USA thinking, which is somewhat more rigid than Stassen's or than the public explanations of UK ministers, but which is almost identical with the first explanations of UK officials here.

7. Our assessment of the whole limitations argument has an important bearing on the way in which we formulate our proposal for advance registration of tests. As I understand it the USA arguments against requiring detailed info on the fission products to be produced by the tests (as required in the Canadian working paper on test registration) are essentially the same as the arguments relating to the feasibility of a limitations scheme without extensive controls. It would not be possible to know within a wide margin of error, and in any case not until a considerable time had elapsed, whether the info on fission products registered by the USSR was accurate or honest. I believe that the USA case, which, of course, we may reject, is not that they are now demanding verification of the registration scheme but that they had always intended, as in the past, to do their best to verify Soviet test explosions. Their only additional argument is that it is not helpful to include in the registration, info which in the absence of short range inspection may well be extremely misleading and inaccurate.

8. In any case we expect to receive the considered views not only of the USA authorities but of the UK and France. The validity of any objections which may be raised and in particular of claims that our working paper on registration would give away military secrets must be judged in the first instance by our own experts in these fields who have the necessary scientific and technical competence.

9. A final consideration which may have some relevance is that Stassen has often remarked that if the USSR showed any interest in proposals for limitation or other schemes going beyond a very simple registration, the USA would be prepared to give very careful

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[93] Voir/See United Kingdom, House of Commons, *Parliamentary Debates*, 1956-57, Volume 568, pp. 30-33, 37-58, 231-234, 397-399, 401-402.

consideration to any Soviet proposals. I feel that the USA, not unrealistically, pays greatest attention to the bilateral Soviet-American aspect of the disarmament negotiations. They are anxious that any change in USA policy which might be regarded as a concession should be reserved if possible for use in bargaining with the USSR and should be advanced if possible only in return for some Soviet concession. The fact that to date the USSR has shown no interest in test limitations has undoubtedly worked against any flexibility in the USA position on this subject.

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412. DEA/50271-C-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 795 London, April 17, 1957

CONFIDENTIAL. PRIORITY.

Repeat Permis New York, Paris, NATO Paris (Information).
By Bag Moscow, Bonn from London.

DISARMAMENT

Following from Johnson. We have sent by bag a memo† summarising developments at this session on conventional disarmament and our telegram 673 April 5 sums up developments dealing with proposals on test explosions of nuclear weapons. This message will complete a general survey to date of this session of the Sub-Committee.

2. Attention has focussed on the possibility of agreeing on a first-stage or partial disarmament plan. The formal Soviet proposal[94] tabled on March 18 is a comprehensive plan going much farther than anything the USA could agree at the present time, but the Soviet Delegation has not ruled out a partial agreement.

3. Such a partial agreement would presumably have to include the following elements (1) some conventional disarmament (2) something dealing with nuclear weapons (3) some provision on tests of nuclear weapons (4) some provision for reduction and limitation in special zones, particularly a zone in Central Europe (5) measures on control and inspection including at least a beginning of mutual aerial inspection.

4. When the various national positions on each of these subjects are examined it would appear that unless important further adjustments are made we are still a considerable distance even from the moderate goal of a first-stage agreement. Nevertheless there is a greater impression of serious negotiation, particularly between the USA and the USSR, and (at least on the part of Moch and Stassen) a greater feeling that some agreement might actually be reached than I think we have ever experienced before in the Sub-Committee.

5. The following are some of the important remaining differences:

(1) *Conventional Disarmament*. The USSR insists that the Western Powers must agree in advance to second-stage reductions down to the level of 1 to 1 1/2 million for the largest powers and 650,000 for the UK and France. Stassen has so far been unwilling to make any

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[94] Voir *Documents relatifs au désarmement 1954-1959*, pp. 93-97.
See *Documents on Disarmament 1945-1959*, Volume 2, pp. 752-757.

definite USA commitment below the first-stage generally accepted by everyone of 2 1/2 million for the largest powers and 750,000 for the UK and France. This discussion is rather unreal so far as the UK is concerned, since the publication of its White Paper on defence indicating a level of forces already below the first stage and a planned level (within a few years) much below the second stage. Stassen has agreed to consider a commitment for a second-stage reduction by 15 percent or its equivalent in armaments and has implied that there would be some corresponding reduction in armed forces. Zorin has rejected this in the terms in which it was offered as a "concession" since he does not want to have to make any Soviet concession in return for "a step halfway back to a former USA position" but he has indicated to Stassen that he regards it as an important move. Therefore, as between the USA and the USSR the gap may have narrowed on this point. (The UK and France have objected to any flat percentage cut in armaments — but the USA and the USSR do not seem to think this is a difficult issue and it can probably be worked out. Our own impression is that Stassen is not very impressed by the significance of any direct comparison between the amount of conventional armaments of the UK or of France, and the armaments of the USSR).

(2) *Nuclear Disarmament*. At least on the record there is a wide gap in this field between the USA and the USSR. The USSR still proposes complete prohibition and elimination of nuclear weapons, prohibition of use, except in accordance with recommendations of the Security Council, and complete prohibition of manufacture of nuclear weapons. They would also propose that no country allow its nuclear weapons to be located outside its own frontiers. The USA proposal leaves intact present stockpiles of nuclear weapons and weapon-grade fissionable material (except for eventual transfers to non-weapons uses at a rate which would leave USA nuclear strength substantially unimpaired for any foreseeable period). The basic USA proposal is that after a specified early target date, future production of fissionable materials would be used exclusively under international control for non-weapons purposes and that after this there would be gradual transfers from past stockpiles to internationally supervised non-weapons uses. The USA say that their proposals go as far as the possibility of inspection and control permits. The USSR demands, in effect, measures which are uncontrollable but which should be undertaken as a moral obligation.

(3) *Tests of Nuclear Weapons*. The USSR demands either complete cessation of tests or a temporary suspension of all tests. They have shown no interest whatsoever in schemes for limitation of test explosions or for advance registration of tests. The USA has also shown very little interest in test limitation or in any system of test registration which goes seriously beyond present USA publicity arrangements. The USA proposal on tests is essentially for complete cessation of tests after acceptance and implementation of the main USA proposal for controlling future production of fissionable material and for making transfers. The USA has not been precise as to the timing of cessation, but it seems that it could come after the implementation of the control on future production for non-weapons purposes and at the point when agreement has been reached on the beginning of the transfers. Our impression is that in the process of bargaining with the USSR on these nuclear measures, the USA would be prepared to advance the timing of complete cessation. The attitude of both the USSR and the USA on nuclear tests probably reflects the fact that control of cessation of tests would be simpler than control of limitation. Stassen has said that a relatively small number of units with proper equipment in the USSR could ascertain whether an agreement on cessation of tests was being honoured. To police a scheme for limitation of tests would apparently require close investigation at the scene of the explosion of a sort not likely to be acceptable to the testing powers. It therefore seems that the only proposal on tests likely to be acceptable both to the USA and to the USSR in a first-stage agreement

is the complete cessation of tests. This, in turn, is dependent on the USSR's accepting the general nuclear proposals of the USA and giving up its demand for the more extreme Soviet nuclear proposals, i.e. complete prohibition and elimination in spite of the absence of effective control.

(4) *Special Areas or Zones of Reduction and Limitation of Armaments and Armed Forces*. The general impression of the Western Sub-Committee members seems to be that the USSR will not accept a global disarmament agreement which does not prescribe some particular reductions of forces in the NATO and Warsaw Pact area. Neither Moch nor Stassen seems to accept the rather extreme position adopted by the recent Four Power Working Group in Washington (USA, UK, France and Germany), i.e. that special arrangements for education of forces in particular areas have nothing to do with disarmament and cannot be discussed in the disarmament Sub-Committee. We have not yet reached this item on the agenda, but Moch and Stassen have both indicated that in their view it is not — repeat not — unreasonable for the USSR to link such proposals for reducing forces in Germany or in the NATO Warsaw Pact area, or for security arrangements in this area should not be discussed in the disarmament Sub-Committee as separate or independent proposals, but only if the USSR regards such proposals as elements in a disarmament agreement. (Neither Moch nor Stassen has spoken to this effect in the Sub-Committee and our impression of their view is obtained from a number of passing references to this subject in the Four Power meetings. Both have probably been expressing personal opinions on this subject rather than definite government policy.

(5) *Control*. Stassen has endeavoured to reassure Zorin on the extent of control that the USA would require in a first-stage agreement. He has stressed that it is now the USA view that the control measures need not begin before the beginning of measures of reduction. In the past Western countries have demanded that the control apparatus be in position ready to operate in advance of actual disarmament and the Russians have always indicated fear that after the control apparatus had engaged in a certain amount of legalized espionage the agreed disarmament might not take place. Stassen has also specifically repudiated the far reaching detailed controls on fissionable materials set forth as part of the Baruch plan. He has stressed that the USA now believes in a "moderate" degree of control for a first-stage agreement, although it would have to be sufficient to give reasonable assurance that the measure are actually being carried out.

6. The control in the first stage in the USA view would, however, have to include, as part of the prevention of surprise attack, ground control posts unlimited geographically, and a beginning of mutual aerial inspection. Stassen has repeatedly indicated that the real USA concern is still to have warning against major surprise attack. If the USSR can be gradually opened up to aerial inspection (with, from the beginning, widely dispersed ground control units as proposed by Bulganin) the USA is not greatly concerned about minor violations of actual disarmament measures. Stassen has therefore studiously avoided all the old disarmament talk about what could happen in button and glass factories. He does not care, provided the USA would have adequate advance warning of any major Soviet attack. It is of course part of this thesis that if a major attack cannot be prepared in secret it will not take place. The USSR has not in any way receded from its recent more favourable position on control, i.e. admission of control elements with unimpeded access to objects of control in time to inspect on the spot the disarmament measures agreed upon. The USSR has also accepted the principle of aerial inspection and Stassen has privately made a counter proposal to the USSR suggestion of a zone of 800 kilometers each way from the dividing line in Germany. Stassen's counter proposal is a somewhat different zone in Europe, as well as a zone including portions of Soviet Siberia and a strip in North America which would take

in Alaska, part of the Canadian Northwest Territories, part of British Columbia and part of the Northwestern American States. The Russians are still studying this. Stassen has made it quite clear that he no longer insists on the complete Eisenhower open skies plan at the beginning.

7. The comments above deal with disarmament on a subject by subject basis. The following assessment of the attitude of each member of the Sub-Committee may be of interest.

8. *USA and USSR*. It is our impression that the USA and the USSR are both seriously interested in reaching some agreement. Many of the Soviet statements dealing with nuclear weapons suggest that they are anxious to reach an agreement which would preclude development of nuclear capabilities by or in any additional countries; they may have in mind particularly the possibility of nuclear weapons in German hands and they might even hope to prevent Chinese possession of nuclear weapons. The USA is no doubt interested in reaching an agreement which would begin the opening up of the USSR to inspection before the development of Soviet long range missiles which would tend to make obsolete the whole USA position on preventing surprise attack. The USA of course proposes control on development of such missiles to ensure they are used only for peaceful purposes. So far the USSR has responded to this only in a context of complete prohibition of nuclear weapons. Both countries probably have in mind also the difficulty of distinguishing use of tactical atomic weapons from use of bombs, and the growing tendency to equip forces with tactical atomic weapons.

9. The tone and manner of exchanges between the USA and Soviet Representatives has been one of courteous and reasonable discussion. They have had, almost daily, private conversations on which Stassen apparently reports fairly fully to his Western colleagues. Both countries are obviously concerned mainly with one another and only very secondarily with the other members of the Sub-Committee; thus Stassen has implied in Western meetings that there is little point in his Western colleagues pressing him to make changes in USA policy which they think might improve the general Western position. While he considers all such suggestions carefully, he has made it quite clear that USA concessions are too valuable to be granted except to extract reciprocal concessions from the USSR. He has therefore shown little real interest, for example, in proposals for limitation or substantial registration of nuclear tests and has often remarked that so far there has been no Soviet interest in these subjects. The USA and the USSR both realistically enough have their gaze fixed on each other and the important moves of each are made almost solely with relation to the reaction of the other Great Power.

10. *UK*. The UK attitude at this session has reflected some of the confusion in current UK policy and perhaps the present phase of disenchantment with anything related to the UN. Before the talks began they repudiated their earlier proposals for a preliminary agreement on limitation of test explosions without on-the-spot control. Partly as a result of public opinion in the UK they have now reverted to at least an appearance of proposing test limitation but with extensive control which would probably make the policy unacceptable to both the USA and the USSR. Their official position on conventional disarmament is hardly consistent with their defence White Paper. Unlike earlier disarmament meetings the UK Delegation has not played a leading role.

11. *France*. The position of the French Delegation is somewhat similar. While there is no doubt of Moch's personal sincerity and seriousness about disarmament, the French Delegation has for the first time lagged behind the USA Delegation. In the past Moch has eagerly sought compromise between the USA and USSR and his activities were often viewed with some suspicion by the USA Delegation which feared he was too ready to give away essen-

tial USA interests. At this session in the Western meetings we have repeatedly seen Moch urging on Stassen the need for caution in adjusting the USA position in ways likely to bring it nearer agreement with the USSR. The interesting spectacle of a French Socialist lecturing a Mid-West Republican on the danger of too much trust in the Russians is not a bad illustration of the change which has taken place in the Sub-Committee negotiations. It is true that Moch would not admit that France has in any way backed down on disarmament proposals. On every possible occasion he reiterates French support for the comprehensive Anglo-French plan; but it is clear to everyone that this plan will never be accepted either by the USA or the USSR, and his very cautious attitude (probably on instructions from his Government) to the more limited proposals which Stassen makes which have at least some chance of acceptance by the Russians must be taken as reflecting some real French reluctance to reconcile themselves to a limited, essentially Soviet-American Agreement. The essence of the French fear is probably that an agreement satisfactory to the USA, i.e. one which opens up the USSR to some American inspection and gives the USA assurance against the danger of surprise attack, could still leave the USSR overwhelmingly powerful on the ground in Europe. But a frank American answer would probably be that no plan can alter the fact that the USSR is a great power and France is not.

12. *Canada*. Canada's position in the Sub-Committee is also conditioned by the basic fact that the most important negotiation must be between the USA and the USSR, and that in matters directly affecting their national security neither of these Great Powers is likely to pay much attention to advice from smaller allies. In the meetings of the Four we have strenuously supported the Canadian proposals for a substantial scheme of test registration and for a limited agreement on test limitations. In the next phase of the Sub-Committee's work after Easter we shall have to decide whether to press ahead with these ideas even if they are strongly opposed by the USA. It is somewhat difficult for a country which does not have large armed forces and has no nuclear weapons at all and, therefore, carries out no nuclear tests, to take a public position on these issues strongly at variance with the views of a major ally. On the test question, for example, we should probably be dependent on the USA even for the necessary detailed technical info on which to base a plan even though this plan were not acceptable to the USA. There are clearly definite limits to what we would want to do in such circumstances. Similarly on such subjects as missiles and rockets or even reduction of conventional forces and conventional armaments, we would necessarily be in the rather unsatisfactory position of making proposals which affect other people's weapons and forces and have only very slight direct impact on Canadian forces and weapons. The position is different, of course, in respect of schemes for European security and zones of limitation. Any views we wish to put forward on such questions stem from our position in NATO and we should, of course, have no hesitation in advancing them vigorously.

13. In conclusion, all of the Western members of the Sub-Committee must consider carefully the extent to which they wish to maintain Western unity vis-à-vis the USSR in the Sub-Committee meetings. Although the USA is far from inflexible in its attitude and many adjustments in their position can be obtained privately in the Western meetings, in the last analysis the price of Western unity in the Sub-Committee must be recognition of the leading role of the USA in the negotiations with the USSR which will determine whether or not any agreement can be reached.

DEA/50271-C-40

413.

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en République fédérale d'Allemagne

Secretary of State for External Affairs
to Ambassador in Federal Republic of Germany

TELEGRAM V-291

Ottawa, May 2, 1957

SECRET. OPIMMEDIATE.
Repeat Washington, Permis New York, Paris, NATO Paris, London (for Johnson) (Information).
By Bag Moscow, Oslo, Tokyo.

DISARMAMENT — NUCLEAR TESTS

Following for the Minister. Discussions on Tuesday with a highly qualified team of experts from Washington have given ourselves and the Department of Defense improved insight into the USA position on nuclear tests. From these talks it would appear that the technical difficulties about verification of compliance with a limitations agreement are not so much the reason for as the justification of opposition to a separate preliminary agreement on limitations. However there are practical difficulties about detecting reliably the fact that tests including relatively large ones have been carried out. In other respects also the USA position is not without very substantial foundation and it is apparent that they have weighed general political as well as military and security considerations carefully before adopting the view that limitations should only be promoted as part of a larger agreement. With some reason, however, they give their first attention to the effect a limitations proposal might have on their position vis-à-vis the Soviet Union.

2. Having in mind the absence of any display of interest in such partial measures on the Soviet side as well as the negative attitude of the USA and the change in the UK position, we have been considering how best to develop the statement made by Mr. Pinard in the Assembly on December 5. You will remember that that statement suggested that the General Assembly "should try to help the nuclear powers in the first instance to agree that they should set as a self-denying ordinance some annual or other periodic limit on the volume of radiation to be generated by test explosions". It went on to refer to allocation of quantities between the powers concerned and to the need for verification.

3. It would not appear to be necessary for Canada to embrace the USA-UK argument about technical difficulties in order to effect a transition from our idea of an agreed "self-denying ordinance" to the idea of unilateral restraint advocated in the USA-UK Bermuda communiqué. It would seem possible to make such a change in emphasis by attaching the blame to the Soviet Union for the need to turn towards unilateral declarations because of its unwillingness even to consider such an agreement. In so doing it would probably be advisable to recapitulate the December 5 argument that in present circumstances any arrangements concerning nuclear tests "must enable the needs of defence in a dangerously divided world to be given reasonable satisfaction" while efforts are made "to meet whatever may be competently estimated as the requirements of the objective scientific situation" with respect to health.

4. The second round of discussions in the Sub-Committee on nuclear tests is likely to begin shortly. If in your view it is desirable to make the above shift in emphasis at this stage, it would be convenient for Mr. Johnson to make the move in the next few days. We

are inclined to consider such a move to be suited to developments and think that it could be effected now with a minimum of emphasis on whatever temporary retreat from principle may be involved. Indeed, it should be possible so to phrase the statement as to convey the idea that we would prefer to see the undertaking of self-restraint recognized in an agreement and that our support for an appeal directed to the Soviet Union to make a declaration similar to those of the USA and UK is prompted by our often stated desire to find a practical way of making some start on the problem.

5. If you agree that events indicate that this transition might be made and that the present circumstances are favorable, you may wish to consider instructing Mr. Johnson to act along the lines indicated above.

6. The problem of a proposal in the Sub-Committee on registration is rather less easily dealt with. On the one hand it is clear that Norway, Japan and other interested countries regard information on the radiation produced by tests to be the raison d'être of registration. They are most unlikely to be impressed by a proposal to publish through the UN little more than the place and date of future tests. On the other hand our conversations with the experts have made it clear that in the USA view the publication of estimated yield in fission products when set against Soviet reading from their long range detection instruments would or might convey to the Soviet Union an undesirable amount of intelligence concerning USA progress in developing a "clean bomb". Whatever may be the justification for this fear, it is apparent that for the present at least the USA is most unlikely to be dissuaded from its refusal to do anything which might facilitate Soviet estimates of their technical accomplishments.

7. It would appear that we have pressing upon us a choice between (a) co-sponsoring some USA-UK proposal which may well be submitted within the next few days which would make no provision for registering estimates of fission products; (b) promoting by ourselves, conceivably with French support, a proposal which would call for the registration of such estimates; and (c) doing neither and trying to explain this apparent retreat once again in terms of Soviet intransigence.

8. Neither (a) nor (b) appears to be attractive. The terms of the resolution we co-sponsored with Japan and Norway implies even though it does not state that there should be information provided on radiation. It seems to us accordingly that in this matter we might consider neglecting the principle of Western solidarity in the Sub-Committee. However, it does not seem profitable to go so far as to underline our differences by making counter proposals, especially as they are unlikely to command the support of any of the testing powers. We then seem to be left with the problem of putting the best face possible on a not very strong position. If you concur in this brief analysis of the present situation you may wish to consider whether alternative (c) might be followed by Mr. Johnson.

9. Our partners in the Sub-Committee should be prepared to accept the difficulty of our situation. It is after all in part a result of our successful effort in the Assembly to counter the Soviet proposal for cessation of tests and divert attention towards partial measures. We might indeed express support for the US-UK approach as a first move while indicating that we would have preferred a scheme which would go further.

10. It may not be quite so easy to maintain our position with respect to other interested powers although the Norwegians at least appreciate the difficulties which we face in promoting in the Sub-Committee policies at variance with those of our partners. However, it would not appear to be unduly difficult to contrive a statement which would serve to justify the absence of any specific proposal on our part.

11. The basic ingredients of such a statement might be the following:

(1) Arrangements concerning nuclear weapons whether they concern their manufacture, stock piling, use, or testing must be acceptable to the powers which possess them.

(2) Other powers may attempt to persuade the nuclear powers to take certain steps but it is necessary in the first place to have a receptive audience.

(3) Two of the nuclear powers have indicated their readiness to consider arrangements for the registration of nuclear tests.

(4) However the Soviet Union has shown no sign of willingness even to consider such proposals.

(5) It would therefore appear that the initiative which we took in the Assembly with Norway and Japan has proceeded about as far as is possible in the present circumstances.

12. We do not look upon the suggestions in this telegram as ideal. However, the course of discussions in the Sub-Committee would appear to require us to adopt positions in the very near future on both limitations and registration. The main merit of the somewhat unheroic ideas we are submitting is that they would enable us to avoid undesirable and unfruitful public conflict with the USA and UK without overt retreat from the principles and position which we have been advocating. We may send you some further suggestions as to steps we might take.

13. It may be that this matter will not arise in the Sub-Committee before Monday, May 6, because of attention given to the new Soviet proposals for a partial agreement. It might therefore be possible for Mr. Johnson to discuss these matters with you in Bonn before you take a final decision.

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414. DEA/50271-C-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur en République fédérale d'Allemagne

Secretary of State for External Affairs to Ambassador in Federal Republic of Germany

TELEGRAM V-298 Ottawa, May 3, 1957

SECRET. OPIMMEDIATE. CANADIAN EYES ONLY.

Reference: Our Tel V-291 of May 2.

Repeat Washington, Permis New York, Paris, NATO Paris, London (for Johnson) (Information).

By Bag Moscow, Oslo, Tokyo

DISARMAMENT — NUCLEAR TESTS

Following for the Minister. As noted in paragraph 12 of our telegram under reference we will present here some further suggestions arising out of our discussions with the USA experts.

2. You will recall that the conversion of the UK to the USA point of view regarding a separate and preliminary agreement on limitations left us in the unenviable position of advocating for our two principal allies a course which they opposed on a matter in which they were in a better position than we to form judgment. At that stage you decided that for the present there was nothing to be gained by continuing to promote a scheme for limitations in the Sub-Committee and Mr. Johnson was so advised. However, the idea of a sepa-

rate limitations agreement was merely rendered dormant rather than regarded as a policy to be abandoned.

3. One conclusion we would draw from our discussions with the USA experts is that the dormant state should continue until there is a material change in circumstances and that a further review should be made of the objective scientific desirability of such a policy and its probable reception in the near future among non nuclear powers. It is essential, of course, to ponder further the military, security and technical considerations elaborated by the USA. However it would appear that a prior question to be examined is whether the reasons which led us to advocate limitations as a separate agreement continue to have the same force as they did a year ago. In this novel and rapidly progressing field it seems essential to keep abreast of up-to-date information and competent opinion on radiation effects and the significance of the fission products produced by testing. The recently concluded session of the UN scientific committee on the effects of atomic radiation may have provided some basis for a fresh assessment. We contemplate seeking the counsel of our radiation experts shortly for these purposes.

4. Pending a general review as above, we are not prepared to recommend a change in policy to the extent of endorsing all the conditions for limitations which are proposed by the USA. Among the factors affecting the decision would be an assessment of the importance of the technical difficulties of verifying compliance with provisions for limitations. The USA experts discussed frankly the causes of error and failure in their long range detection methods and the stratagems which might be followed by a government seeking to conceal explosions. Their exposition carried conviction but the problem remains of assessing the facts and relating the possibilities to whatever situation may exist following the present session of the Sub-Committee.

5. In the matter of registration, when urging the publication of estimates of fission products we have again found ourselves at variance with our principal allies. Our telegram under reference mentioned the USA concern to avoid measures which might facilitate Soviet estimates of their technical accomplishments. They have in mind among other reasons that it is much easier for the Soviet Union to approach their test areas (for example by submarine) than for the USA to approach the Soviet testing grounds. We understand that the USA will hold to their position until they can expect some concession in return from the Soviet Union. Consequently despite the lack of Soviet interest in registration, the USA does not appear prepared either to advance or to subscribe to a proposal for the registration of estimated yield of fission products outside the context of some larger agreement.

6. We are inclined to the view that if the second round of discussions in the Sub-Committee starts with nuclear tests, there is little likelihood of immediate progress on this question as it is one on which the USA and Soviet Union are far apart. However should advances be made on other topics such as conventional reductions and aerial inspection where the outlook is somewhat brighter, there might be a later reversion to the test question. In that event some of the present USA and Soviet policies might be modified and we might consider whether it would be appropriate to put forward in the Sub-Committee a suggestion that a registration scheme including provision for fission products estimates should be implemented in advance of whatever other agreement may be in the making.

7. In the meantime it is not necessary to accept completely all the USA contentions in order to conclude that they have solid grounds for their attitude on registration, that they are well placed to decide when and how it should be modified and that public importunity on our part would be unavailing and might even be unhelpful in the over all negotiations.

[J.] LÉGER

415. DEA/50271-C-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 949 London, May 6, 1957

CONFIDENTIAL. PRIORITY.
Repeat Permis New York, Washington, Paris, NATO Paris (Information).
By Bag Moscow from London.

DISARMAMENT — NUCLEAR TESTS

Following from Johnson. I discussed your telegrams V291 and V298 with the Minister today. He considers that if and when the subject of nuclear tests is again discussed in the Subcommittee, we must maintain our position on registration in terms which would comply with the joint Canadian-Japanese-Norwegian resolution. The Minister considers that paragraph 2 of that resolution implies that the info given on registration must contain some estimate of the fissionable material released in connection with any test explosion. He left it to me whether this should be done in a statement for the record only or by the introduction of a formal paper.

2. As we are now in the process of considering the Soviet memo on partial disarmament agreement,[95] I suggested to the Minister that perhaps this was not the appropriate time to place the blame on the USSR for lack of progress in devising an acceptable registration scheme. I might say in the Subcommittee that it is still possible that a solution of the problem of tests might be agreed to as part of a more general agreement but point out that, in the absence of a more general agreement, we maintain the position taken in the General Assembly — namely that something should be done to achieve the objective, as stated in the Joint Resolution, of "keeping the total actual and expected radiation in the world under constant observation". This would enable us to hold in reserve arguments alluding to Soviet intransigence until a more appropriate time, for example in explaining, if necessary, failure to reach a more general agreement.

3. If the Subcommittee proceeds in the next few days to a separate discussion on the subject of tests, therefore, I shall try to take the more positive line indicated above but I shall get into the record a statement of our position based on the joint resolution. I may also table a paper on registration along the lines of our draft registration paper but I wish to give this matter more thought.

4. The Minister gave his general approval to the procedure outlined above.

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[95] Voir *Documents relatifs au désarmament 1954-1959*, pp. 100-109.
See *Documents on Disarmament 1945-1959*, Volume 2, pp. 778-787.

416. DEA/50271-C-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1092 London, May 18, 1957

CONFIDENTIAL. PRIORITY.
Reference: My Tel 795 Apr 17.
Repeat Washington, NATO Paris, Paris, Permis New York, Bonn (Information).
By Bag Moscow from London.

DISARMAMENT

Following from Johnson. In my telegram under reference I gave a general survey of developments in the Subcommittee up to April 17. In this message I propose to continue that survey up to the adjournment of the Disarmament Subcommittee from [April] 6 to May 27, under the following headings: (a) the Soviet memo tabled in the Subcommittee on April 30, though shown unofficially to Western Delegations on April 25; (b) registration of tests; (c) limitation of tests; (d) repercussions of the disarmament talks in West Germany; (e) miscellaneous questions; and (f) prospects of agreement.

2. *Soviet Memo of April 30.* In my telegram 854 April 27† I gave a summary of the Soviet memo, and in my Telegram 900 May 1† I indicated the advances made towards the Western position in the new Soviet memo and also the gaps which still remain between the Soviet and Western positions. For convenience I am summarizing here the main differences between the Soviet proposals of April 30 and Western position:

(a) *Levels of Forces.* There is now general agreement that in the first stage the armed forces of the larger powers should be reduced to 2.5 million and those of the UK and France to 750,000. A very important difference has, however, developed between the positions of the USA and the USSR on further reductions. The USSR insists that any agreement which would reduce forces to 2.5 million and 750,000 in the first stage must also include a second stage reduction to 1—1.5 million for the greater powers and 650,000 for the UK and France. This requirement offers no difficulties to France or the UK, but Stassen refuses now to make any commitment with regard to a second stage reduction. Zorin argues that because the USA requires only very small forces for its continental defence to allow troops levels of 2.5 million men would permit the USA to keep large forces stationed abroad. In fact, Zorin went so far as to say privately to Moch that when the USSR called for 1—1.5 million men in the second stage they had in mind one million for the USA and 1.5 million for the USSR. Zorin justified this difference on the grounds that the USSR covers a much larger area and is surrounded by hostile military blocs. Moch however did not take these remarks of Zorin's seriously.

(b) *Conventional Disarmament.* On a first stage reduction the positions of the USA and the USSR are not far apart. Stassen speaks of a 10 percent reduction whereas Zorin calls for a 15 percent reduction. Stassen has however recognized that percentage cuts would not affect all countries in the same way and presumably he would be willing to consider other formulae for other countries. Percentage reduction is strongly opposed by the UK and France. Moch argues that the USSR, in contrast to France, has a large quantity of surplus equipment. If hostilities broke out the armed forces of the USSR could be quickly increased to use this surplus equipment. He insists that the level of armaments must be tied to the level of forces by means of a points system under which each type of weapon would be allotted a certain number of men. Further details of these positions are given in the memo prepared by Captain Ellis which was sent to you under cover of my letter 838 May 14.†

(c) *Nuclear Disarmament*. Here the gap between the Soviet and Western positions is very wide. The USSR insist on the following; (a) an immediate suspension of all nuclear tests; (b) a solemn undertaking to renounce from the outset the use for military purposes of nuclear weapons of all types including aerial bombs, rockets etc. and (c) an understanding by all parties that they would make every effort to reach an agreement providing for the elimination of nuclear weapons from the armaments of states, cessation of their production, and the destruction of their stockpiles. The USA position is of course, that at an early stage in a disarmament agreement there would be prohibition of the manufacture of fissionable material for weapons purposes. Some time after this cut-off date all tests of nuclear weapons would be prohibited. After the cut-off date the USA would agree to some arrangement whereby the nuclear powers would transfer to peaceful uses fissionable material from their weapons stockpiles. Stassen, however has made it quite clear to the other Western Delegations, (a) that the USA has no intention in the foreseeable future of reducing stockpiles of nuclear weapons to zero; and (b) that USA would wish to safeguard their rights after the cut-off date to refabricate old bombs into new ones with a reduced radioactive content, to make large existing bombs into small tactical and air defence weapons, and to take such steps as would be necessary to ensure that their stockpiles of bombs were ready for use. (See my telegram 984 May 9.†) Moch has made the French position clear on several occasions in the Subcommittee. France would forego its right to make nuclear weapons, but only on condition that the present nuclear powers agreed to stop the manufacture of nuclear weapons. Hence, France will not agree to prohibition of tests unless it is linked to the cessation of manufacture of fissionable material for weapons purposes.

(d) *Control*. Stassen has not expressed himself in any detail on the Soviet proposals for a control system. Moch and Noble have however stressed a number of inadequacies in the Soviet proposals. Partial control is of course appropriate to an agreement for partial disarmament, but partial control means all necessary controls and not "whittling away" at important objects of control or functions of the control organ. Thus, the Soviet proposals are unsatisfactory in so far as they leave out provisions for permanent control and unimpeded access to all objects of control, which were present in their previous proposals. Similarly, their plan is inadequate because it places ground control posts at air bases only in a later stage in disarmament. Again, the Soviet proposals are unsatisfactory because they call for ground control posts in almost all the territory of the Western Powers, while leaving vast areas of the Soviet Union untouched.

(e) *Aerial Inspection*. The history of this concept in the Subcommittee is unusual. Stassen has never tabled in the Subcommittee any specific proposal for zones of aerial inspection. He did however mention privately to Zorin and to other members of the Subcommittee, USA "concepts" of zones of aerial inspection which would include an area in Europe, and another on both sides of the Bering Straits. The European zone would include a sector between the Pole and 40 degrees north latitude and 5 degrees east and 30 degrees east; the Bering Straits zone would include an area between the Pole and 40 degrees north latitude and from 150 degrees east to 120 degrees west. The American proposals first came before the Subcommittee in the Soviet memo tabled by Zorin on April 30. Zorin referred to the zone suggested by Stassen, and suggested alternative areas on behalf of the USSR. In Europe the USSR proposes a sector bounded on the west by zero meridian, on the east by longitude 25 degrees east, on the north by latitude 54 degrees north, and on the south by latitude 39 degrees 38 mins. north. The area in the Far East and North America would include all of the Soviet Union east of longitude 108 degrees east and all the USA west of longitude 90 degrees west. (Presumably this area also includes all of Alaska.) Stassen has not made any adverse comment in the Subcommittee on the zones suggested by Zorin but both Moch, Noble and I have all stated frankly that we consider that the zones are one sided and favour the Soviet Union unduly. Privately, and with his Western colleagues only, Stassen has discussed the possibility of a compromise proposal which would involve shifting the European zone suggested by the Soviet Union 2 1/2 degrees east and some distance north. He has also suggested that more Soviet territory in Asia might be included if we offered either the part of Canada between Alaska and the State of Washington, or part of the Arctic region of Canada.

(f) *Regional Arrangements*. The Soviet Union propose that USA, French and British troops in Western Germany and Soviet troops in Eastern Germany should be reduced by 1/3. They also urge that the same powers should reduce their forces in the territories of the NATO and Warsaw Pact countries. The gap between the USSR and the Western positions on these two questions is not easy to define because there is some doubt both as to the Soviet position and the Western position. It is not clear from the new Soviet memo whether their proposals on these two questions are conditions of a partial disarmament agreement or a goal to be achieved later. Moreover, I am not sure how far in the Western view proposals for the thinning out of troops in the two Germanies or in the NATO and Warsaw Pact countries is dependent on German reunification. Moch and Noble have both been at pains to declare that the Disarmament Subcommittee is not competent to discuss these questions. Stassen has made no comment beyond saying that obviously if American troops were substantially reduced, the reductions would probably be felt in all areas where it had troops. On your instructions I have said that since any disarmament agreement would be likely to have special repercussions in particular areas, including Europe, it would be appropriate to consider whether special regional provisions should be included in such an agreement, but that it was not the business of the Subcommittee to find solutions for the major problems affecting such regions as Europe, the MidEast, the FarEast, and other areas.

(g) *Foreign Bases*. In its new proposals the USSR suggests that it should be agreed which bases should be abolished within the first one or two years. It is not really clear if the USSR are insisting, as they did in their previous proposals that all bases should be abolished within two years. Stassen has not commented on this provision in the Subcommittee.

3. *Registration of Tests*. The Canadian-Japanese-Norwegian proposal for advance registration of tests has on a number of occasions been rejected by Zorin. He regards any system of registration as a retrograde step which would in fact have the effect of legalizing and justifying tests. Noble and Stassen have both said publicly that they favour advance registration together with limited international observation of tests. Stassen has told us privately that in any system of registration the USA could not agree to give estimates of the amount of fissionable material released in a test. Noble has also spoken in the same sense privately. In the Subcommittee he has said that the UK could not give any info which would reveal military details of the type of bomb being used in tests beyond that which could be learned by observers at the test site. I made it clear in the Subcommittee that the system of advance registration recommended by Canada, Norway and Japan envisaged the provision by the testing country of data concerning the fission products involved in any tests. The gap between the Canadian position and that of the UK and USA has so far not

created difficulties because of the uncompromising attitude taken by Zorin towards the whole scheme.

4. *Limitation of Tests*. At the beginning of the Subcommittee meetings I reaffirmed the Canadian position stated by Mr. Pinard in his December 5 statement to the General Assembly, that we should hope that the nuclear powers would be able to agree in the first instance that they should set, as a self-denying ordinance, some annual or periodic limit on the volume of radiation to be generated by test explosions. The USA and British position is that any system of limitation of tests would require substantial inspection and control. They therefore disagree with the premise upon which the Canadian suggestion is based, namely, that a system of limitation would to a large extent be self-regulating. In a paper tabled by Noble which gives the British view on tests it is recommended that a committee of experts be set up to consider possible methods of limiting nuclear test explosions, and to investigate the requirements of effective supervision over an agreement to limit such explosions. Moch would agree to any system of limitation concurred in by the nuclear powers, but he has told me privately that he agrees with the UK-USA position that a fairly elaborate control system would be required. Again the difference between the Canadian position and that of the USA and the UK has not created difficulties because Zorin has been as scornful of limitation proposals as of registration proposals.

5. *Repercussions in Germany*. It is perhaps desirable in order to keep the record clear to state that no suggestions for demilitarized zones on either side of the dividing line in Germany have been made by Stassen in the Subcommittee, in the regular meetings of the western delegations, or privately to me. As I mentioned in paragraph 2(e) above, Stassen did, of course, mention privately to the other four delegations on the Subcommittee the concept of a zone of aerial inspection in Europe which would include both West and East Germany and other countries as well. I understand that West Germany does not object in principle to a zone of inspection which would include other countries as well as West and East Germany as long as it is not coupled with the demilitarization of zones or a thinning out of forces on either side of the demarcation line. Hence the recent German anxieties cannot be laid at the door of the Subcommittee.

6. *Miscellaneous Questions*. In addition to the main subjects listed above Stassen has discussed from time to time a number of other matters which he thought might have to be dealt with in framing a partial agreement, e.g., limitations on the export and import of arms, the international movement of troops, and the nature and functions of a preparatory commission. The other delegations have not yet commented on the details of these proposals.

7. *Prospects of Agreement*. An analysis of the recent Soviet proposals and a comparison of them with existing Western positions gives little ground for optimism that a partial disarmament agreement can be reached when the Disarmament Subcommittee resumes its sessions. Why then does Stassen continue to be "cautiously optimistic", and why do American journalists, no doubt briefed by Stassen or his delegations, reflect his optimistic attitude? I think that Stassen's optimism is mainly based on his opinion that each of the Soviet proposals is negotiable. Zorin has in fact made contradictory statements. He has said in the Subcommittee, and more forcefully in private talks with Moch and Noble, that in the Soviet view a partial disarmament agreement must include as indispensable elements (a) cessation of tests of nuclear weapons at the outset; (b) an undertaking at the outset not to use nuclear weapons; (c) an agreement now to reach a second level of forces at 1—1.5 million for the USA and the USSR and 650,000 for the UK and France. If Zorin's words are taken literally then, of course, a partial disarmament agreement would not appear likely. On the other hand, Zorin has said in the Subcommittee and privately that it is now

up to the Western Powers to state which Soviet proposals they can accept and which they reject, and to submit counterproposals in the place of those they reject. He has thus given the impression that the Soviet position on all proposals is not inflexible and is subject to negotiation. Stassen has apparently seized upon this latter statement to the exclusion of the former and more than once has stated it as his belief that the Soviet memo of April 30 should be considered as a "hard bargaining beginning to serious negotiations".

8. Perhaps a sounder ground for optimism is that although the present USA proposals, in particular those in the nuclear field, are not attractive to the Russians, they do fear the entry into the nuclear weapons club of other countries, and particularly Western Germany and France. France, and I believe Western Germany as well, have declared that they will not enter the nuclear arms field if a stop is put to the nuclear arms race. Hence, the acceptance of the USA proposals, or some modification of them, by the USSR would prevent the entry into the nuclear weapons field of France, Germany and no doubt other states as well. The key question is to determine what price the USSR will pay to achieve this goal. Only time and patient probing will provide the answer to this question.

10. It is clear that if any progress is to be made when we resume our discussions, concessions will have to be made on both sides. Until we have some idea of the nature of USA thinking it will be very difficult for us to make recommendations as to the sort of concessions the West might make in return for Soviet concessions. Stassen has told me that he will be ready to make his recommendations to the President some time next week. He has given his Western colleagues no indication of the nature of his recommendations. He has, however, promised to keep us informed both through our embassies in Washington and through his delegation here. I would therefore think it would be of great value if our Embassy in Washington could keep in close touch as possible with the State Department on these matters during the next ten days, in order to supplement what we may learn at this end, and to facilitate the transmittal of any new info to you in Ottawa.

11. Although Stassen is optimistic that he will be able to return to London by May 27 with new proposals, he has warned us that President Eisenhower might not be able to make decisions by then on all the proposals put before him. The President might reasonably require further time for consideration of some of them or that further studies be made.

12. A final observation which should be made on the Subcommittee meetings is the attitude of the chief negotiators, Stassen and Zorin. So far they have conducted the negotiations with a minimum of propaganda and abuse. Stassen sees Zorin frequently outside the Subcommittee for private talks. On several occasions the two delegations have lunched together. As a result there has so far not been an unpleasant or strained incident in the Subcommittee. Procedural points which can often cause endless delay have as a rule been settled privately in advance by Zorin and Stassen.

2^e^ Partie/Part 2

INSTITUTIONS SPÉCIALISÉES DES NATIONS UNIES
UNITED NATIONS SPECIALIZED AGENCIES

SECTION A

ORGANISATION DES NATIONS UNIES POUR L'ÉDUCATION, LA SCIENCE ET LA CULTURE UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

417. DEA/5582-AK-10-40

Le haut-commissaire en Inde
au sous-secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Under-Secretary of State for External Affairs

PERSONAL AND CONFIDENTIAL New Delhi, January 11, 1956

Dear Jules [Léger],[96]

As you know, the next conference of UNESCO is going to be held here this autumn. I write you this personal letter because I am very worried about the way in which this conference may go unless the Foreign Ministers of the principal Western countries realize that the conference is likely to provide an important battleground in the struggle between Russia and the West for this part of the world.

2. My impression is that most of the principal Western[97] powers have taken at UNESCO conferences in the past half dozen years or so a generally unenthusiastic, negative and unimaginative line. If they should take that kind of line at the New Delhi conference, then the Russians can score an important victory.

3. The Western powers will, I am afraid, take at New Delhi the same sort of line they have taken in the past, or at least one not far enough removed from it, if their policies on UNESCO are based on the sort of considerations on which their policies have been based in the past. Western policies on UNESCO have to be lifted out of their old context and subjected to a searching re-examination. If this re-examination is to be sufficiently searching, it must, I think be done not by those who have dealt with UNESCO in the past but at a high level and in the first instance by those who have been dealing with the cold war struggle against the Soviet Union, particularly the struggle for this part of the world.

4. I may, of course, turn out to be entirely mistaken about Russian intentions to use the UNESCO conference in Delhi as a battleground in the struggle for Asia. I do urge, however, that the only safe assumption for the West to make is that the Russians do so intend. At the International Trade Fair here they showed how capable they are of using a trade fair as an opportunity for scoring a victory over the United States and the United Kingdom in the battle for men's minds in South and Southeast Asia. The Bulganin-Khrushchev visit provided another example of Soviet cleverness in this part of the world. Unless the West is

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[96] Note marginale :/Marginal note:
Mr. Andrew, Information [Division]: You will wish to meditate on this & prepare a reply for my signature. J. L[éger]

[97] Note marginale :/Marginal note:
For "Western" read "Canadian" [A.J. Andrew]

careful the Russians can score another resounding victory at the UNESCO conference here.

5. This UNESCO conference in Delhi is the first full-dress conference of a specialized agency to be held in India. It is probably the first such conference to be held anywhere in this part of the world. It should be considered therefore in this light and not as if it were just another boring meeting of another boring specialized agency held in Geneva.

6. I do not need to develop at length with you the reasons why it would be dangerous if Western policy at the UNESCO conference were negative, unimaginative and based mainly on budgetary considerations. The Russians could ask for nothing better. It would immensely assist them since it would serve further to convince Asian "neutralists" that the West is interested only in armaments and that it is materialistic, selfish and parochial and is not interested in trying to break down barriers between nations and peoples or in sharing with the peoples of the underdeveloped countries Western knowledge, education, science and culture.

7. The important thing I suggest is for the members of the Western delegations to come here with an agreed, imaginative and positive programme for expanding the work of UNESCO, particularly in fields of special interest to India and other countries of this area. The adoption by UNESCO of such a programme might well mean an increase over the next two to four years of 50% or even 100% in the budget of UNESCO. This would mean for a country like Canada an annual additional charge of $150,000 a year or $300,000 a year. I know it will not be easy to persuade Cabinet to agree to such an increase but I do suggest that it would be a modest price to pay for what could be a highly successful offensive against the Soviet Union and Communist China.

8. In spite of the fact that I lack direct knowledge of UNESCO, I have been rash enough to set forth in a note attached to this letter some suggestions about the possible content of the Western programme at the New Delhi Conference. These are nothing more than suggestions of the kind of thing the West might do at the conference to demonstrate that it is anxious to learn from the science and culture of this part of the world and is anxious to assist in helping this part of the world to learn from the culture and science of the West and from its educational processes.

9. It is not only, of course, a matter of the West deciding in advance on a positive and imaginative policy for the UNESCO conference in New Delhi; it is also a matter of the Western countries sending to Delhi first-rate delegations carefully selected to carry out Western policy at the conference. Each delegation should therefore include one or two people with shrewd political sense as well as eminent leaders in science, education and culture. They should be the kind of people whom Indians in the fields of education, science and culture would want to meet. They should be the kind of people who will want to travel around India and learn from India.

10. It would be useful if as many members as possible of the Western delegations could arrive in India a month or so before the conference. They could spend this month travelling in India, Pakistan and Ceylon and studying the projects in this area which UNESCO is helping. They should, if at all possible, stay on in India for a month or so after the conference either to travel or better still to do specialized jobs of technical assistance.

11. I have so far dealt with the general problem of Western participation in the UNESCO conference. I have not particularly referred to Canadian participation.

12. As you can well understand, however, I am even more worried about the possible Canadian position at the conference than about the Western position in general.

13. In the past, as the report of our delegation to the last UNESCO conference pointed out, we have taken a somewhat "negative" approach to the programme and the budget of UNESCO and "because of our limited knowledge of UNESCO and its activities" our participation in UNESCO conferences has been "based more upon the budgetary implications of the programme than upon the usefulness of the projects". If we should take, at the conference in New Delhi, a negative, unimaginative attitude based mainly upon a desire to keep the budget down, we may lose in this country a fair amount of the good will and respect which we have laboriously built up over eight or nine years.

14. So far as our own delegation is concerned, the kind of people I would like to see on it are W.A. Mackintosh, Wilder Penfield, Omond Solandt, Arthur Lismer, G.V. Ferguson and Donald Creighton. Mackintosh would be a first-rate advertisement of Canadian culture as the most scholarly of our university presidents. He would also be the best possible Canadian representative in discussions of the social sciences at the conference. No one could be better than Solandt on all matters connected with atomic and nuclear energy. Arthur Lismer has worked in the past two years on getting together an exhibit of children's art for Shankar's exhibition in Delhi. G.V. Ferguson would represent us admirably in discussions on the free flow of information. Donald Creighton could represent our historians.

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15. There is one issue of paramount importance which I have left to the very last. One thing the West must certainly do is to ensure that China is represented at the New Delhi conference by Peking and not by Formosa. The West would look too absurd if at a first class conference held in Asia on problems of special interest to Asia it refuses to permit 600 million people of Asia to be represented.

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16. I am sorry to trouble you about this because I know how busy you must be with many matters of more immediate and pressing concern to Canada. I do hope, however, that you will be able to give some thought to this question, that you can start a re-examination of Canadian policy going, and then use our influence in London, Washington, Paris and so on to try to get them to make similar re-examinations. There may be a stage at which it might be advisable to have Western policy at the UNESCO conference in New Delhi discussed by the NATO group in Paris.

Yours ever,
ESCOTT REID

[PIÈCE JOINTE/ENCLOSURE]

Note du haut-commissaire en Inde

Memorandum by High Commissioner in India

CONFIDENTIAL

[New Delhi], January 11, 1956

UNESCO CONFERENCE AT NEW DELHI 1956

SOME SUGGESTIONS ON THE PROGRAMME OF THE WESTERN DELEGATIONS

1. The Western delegations might propose that the work which UNESCO is now doing to disseminate the visual arts and music of South and Southeast Asia and to translate the classical and modern works of this region should be greatly expanded. Specific proposals

should be made. Western representatives should emphasize their interest in and respect for the culture of this region — its art, music, dancing, philosophy and so on — and the desire of the West to acquire greater knowledge, understanding and appreciation of this culture.

2. The French might develop at Delhi the kind of ideas they put forward at the Geneva meeting of Foreign Ministers in November for encouraging the freer flow of information, ideas and persons between the Western world and the Soviet Union. Each of the Western countries should be prepared to support the French and come forward with constructive ideas of their own. The objective would be to demonstrate on Asian soil that it is the Russians and not the West who maintain the iron curtain and are afraid of competitive co-existence.

3. At the last UNESCO conference the underdeveloped countries put forward a resolution on the establishment of an educational, scientific and cultural fund and this resolution was passed by a substantial majority even though vigorously opposed by the United States and other large contributors. Instead of opposing this proposal at the next meeting the Western countries might work out in advance an agreed, sensible, generous proposal for a development fund which they would be prepared to support at the New Delhi conference.

4. Western Government might seek the advice of Western medical experts on the drafting of a proposal for an expert examination by UNESCO of non-Western systems of medicine starting with the ancient systems of South and Southeast Asia. The argument which Western delegations could advance at the conference could be that Western medicine stands in great need of drawing upon the wisdom and resources of these ancient systems of medicine. (It has recently been stated that Western medicine is only beginning to use a drug for the treatment of nervous disorders which has been used successfully in India for centuries. Is it not possible that this drug might have been discovered many years ago if Western medicine had been more interested in examining the merits of the two ancient Indian medical systems?)

5. The West might urge an acceleration of the research work being done by UNESCO on the arid zone of the world and on the humid tropical zone, on the social implications for South and Southeast Asian countries of industrialization and urbanization, and on the training of teachers in "fundamental education" in countries such as India.

6. Western delegations might support a special intensive programme for assisting India in the establishment of modern methods of language teaching. The emphasis should not be on the teaching of English but on the teaching of the national language, Hindi, and the dozen or so principal regional languages. English would also benefit by such a programme.

7. The West might urge an extension of the work which UNESCO is already doing to help eradicate racial discriminations in the world. Western ideas on this, as on other subjects, should be carefully thought out in advance. It is not a matter of Western delegates giving pious, platitudinous sermons on the text of all men being brothers but of Western delegates putting forward precise, workable suggestions on how UNESCO might help its member states in their struggles to eradicate racial discriminations on their territories. Because the United States can be particularly proud of what it is doing to eradicate discriminations against its Negro citizens, the United States might usefully take the lead in this question.

418. DEA/5582-AK-10-40

Le sous-secrétaire d'État aux Affaires extérieures
au haut-commissaire en Inde

Under-Secretary of State for External Affairs
to High Commissioner in India

PERSONAL AND CONFIDENTIAL — Ottawa, February 29, 1956

Dear Escott [Reid],

In my interim acknowledgement† of your letter of January 11 concerning the UNESCO Conference I told you that we were considering your proposals and that I would give you a fuller report of the results. It is still too early to say that we have results but you may be interested to know how our thinking has moved, influenced as it has been by your very thoughtful letter.

Everyone seems to be agreed that the UNESCO Conference to be held in New Delhi cannot fail to be other than a battleground for the soul of Asia! In any event, our thinking is based on this assumption.

As you are well aware, budgetary considerations play a large part in our lives and I can see immense difficulties confronting us if we were to try to reverse our traditional stand in UNESCO. I do not think that this stand has been entirely unreasonable considering the nebulous character of the UNESCO field of endeavour and the shameless way in which some member states have tried to exploit it, not merely for national interests but even for personal. We shall, however, if it is not too platitudinous to say so, examine all proposals on their merits. We are even considering the possibility of making a proposal or two ourselves.

We agree with you that Western delegations should come to New Delhi with an agreed, imaginative and positive programme. We shall discuss with our friends the possibility of increasing UNESCO's activity in India but I am sure the Government would insist on proceeding from proposals and their justification to the request for an increase in the UNESCO budget rather than agreement in advance to spend more money on projects later to be identified. Moreover any increase in the total UNESCO budget would be reflected proportionately in the assessments on all member states, many of which could not absorb or would not accept any increase. In short, the budget has almost reached the saturation point. It will largely fall to the members of the delegation, of which you may well find yourself one, to see that our activities in budgetary committees devote themselves to the task of getting the best value for the money available rather than creating the impression that our main concern is to save money.

Concerning delegations, our present feeling is that we should select from the agenda, a few subjects on which Canada can be expected to have some useful contribution to make. We should then choose our delegates from among the best experts we have in these fields. If we find we have an outstanding expert available for which no suitable subject exists, we should be prepared to consider placing an item on the agenda for his special benefit.

The question of travelling around India is a difficult one inasmuch as first-rate people are not likely to have too much time at their disposal and funds for this sort of travel are extremely difficult to come by. We will, however, explore the possibilities. Your suggestions for the Canadian delegation are all interesting and will be considered in the light of the agenda and our special interests.

In spite of the line of reasoning which prompts the suggestion, the idea of Communist China's being represented at the conference is, for many reasons of which you are aware, not likely to materialize.

In line with your suggestion, we are approaching some of our friends in NATO to explore the possibility of dividing the UNESCO field to some extent and to agree on some general common attitude. The objections to bringing NATO as an entity into this particular operation are very obvious but I do agree that useful preparations could be undertaken by NATO delegations in Paris.

Information Division, which is already devoting a good deal of time to preparations for the UNESCO Conference, will be keeping you regularly informed on each step as it is taken.

I might also refer to your letter of February 2† and the suggestion that we undertake some sort of cultural activity in India. Although there is little likelihood of arranging yet another exhibition of Eskimo Art, we are exploring other possibilities. I am not too hopeful that we will be able to launch as ambitious a manifestation as we would like to but we shall try to provide something, subject, as ever, to the availability of funds. If we can time it to precede or coincide with the UNESCO conference, so much the better.

Yours sincerely,

JULES LÉGER

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419. DEA/5582-AK-10-40

Le secrétaire d'État aux Relations avec le Commonwealth du Royaume-Uni au premier ministre

Secretary of State for Commonwealth Relations of United Kingdom to Prime Minister

CONFIDENTIAL [London], July 2, 1956

My dear Prime Minister:

I think I should take the opportunity of your presence in London to mention to you a matter which, in my view, may prove to be of some importance for the development of Commonwealth relations in the short term, namely the Ninth Session of the U.N.E.S.C.O. General Conference which is due to meet in New Delhi in November 1956.

It will be a matter of prestige for India and also for Pakistan and Ceylon that this Conference should be a success. For the United Kingdom and for Canada I should judge it to be equally important that we should convince our Asian friends that we are going to do our best to help them make the Conference a success. And if we have to say things with which they do not always agree (and the United Kingdom may certainly have some unwelcome observations to make) I hope we can do our best to convince them that we have good reasons for the line which we shall be taking.

David Eccles has it in mind to suggest as a general theme for the Conference the subject "Freedom for the Mind". He thinks, and his other colleagues and I agree, that if we do not put forward some acceptable general line for discussion, the Russians (whose first effective General U.N.E.S.C.O. Conference it will be) may take the initiatives with less welcome results. I suggest that our officials should keep in touch over the development of our ideas, and that we do our best to take a line in New Delhi which is broadly acceptable to us all and for which we can lobby support.

Secondly, there is the Budget. The United Kingdom view is that a constructive and progressive programme should be worked out for U.N.E.S.C.O. within the limits of the existing Budget or at as small an additional costs as possible. You will appreciate that we cannot possibly support substantial increases in the Budget, of which we bear so large a share. Moreover, we regard many of U.N.E.S.C.O.'s projects as a waste of money, and we are determined to do our best to steer the Organisation into more practical channels. On the other hand, we recognise that the Asian Commonwealth countries will be sensitive over this matter. In their desire to put Asia on the map, they may well suggest many schemes, the cost of which will be borne by others. And I foresee that one of the most difficult of all our tasks will be to obtain approval for those schemes which are economic and practical, without causing unnecessary offence or giving the Russians a stick to beat us with. Here too, I suggest that our officials should keep in close touch between now and November.

There is also the question of elections to the Executive Board of twenty-two members, and of possible increases in its membership. On the question of increases we have not yet decided our policy, but we think they should be restricted to a minimum, and that in determining them the legitimate interests of Asia must be considered. As regards elections to the Board we are mainly concerned with the six country seats which are coming up for re-election. I imagine that both India and Pakistan are likely to stand again, although both Governments have recently told us that they have not yet made up their minds. It had occurred to us that it might do much to encourage the legitimate pride of our Asian Commonwealth friends if Ceylon also were elected to the Board this year. I should be interested in your views on this. Is Canada herself interested in election this year?

Lastly, as regards consultation. We have not yet extracted from the Americans any clear idea of their views on the Budget, and there are to be conversations with American officials in the next few days. We intend to keep in the closest touch with your Government upon the Budget and all other questions of policy between now and the Conference, and I suggest that a preliminary exchange of views at the official level might take place as soon as we have had a first talk to the Americans.

Meanwhile, we shall take any opportunity there may be of mentioning this matter to Nehru, Mohammed Ali and Bandaranaike on the lines sketched out above. You may like to consider whether to put in a word also.

I am sure you will be glad to hear that David Eccles has decided to lead our delegation himself; and I hope you for your part will feel able to see that some of your best men in this field are available for the Conference.

I am writing similarly to the Prime Ministers of Australia and New Zealand.

Yours sincerely,

HOME

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420. DEA/5582-AK-10-40

Le secrétaire d'État aux Affaires extérieures
au secrétaire d'État aux Relations avec le Commonwealth du Royaume-Uni

Secretary of State for External Affairs
to Secretary of State for Commonwealth Relations of United Kingdom

CONFIDENTIAL Ottawa, July 12, 1956

Dear Lord Home,

The Prime Minister has passed on to me your letter of July 2 concerning the Ninth Session of the Unesco General Conference which is to meet in New Delhi in November.

I was very much interested in your views, the more so because we in Ottawa have been thinking along very similar lines ourselves. I agree that we must do our best to convince our Asian friends that we are as anxious as they to make the conference a success even though we may not always be in agreement on specific proposals.

There is no doubt that the Russians will take every advantage of the platform which the conference will offer to appeal to the mind of the Asian peoples. Consequently, for our part, we need to have not only as sympathetic and interested an attitude as possible towards Asian interests in Unesco matters, but also we should be prepared to bring a positive and imaginative approach to the discussions. The more, therefore, that we can consult together both before and during the conference the easier it will be to advance those ideas which we have in common. We have in fact already given some thought to ways and means of coordinating Western resources for this purpose. One suggestion that had occurred to us, but which we have not followed up, was that informal and confidential discussions might be held between like-minded delegations in Paris. Regardless of this possibility, however, we would certainly welcome exchanges of views and officials of my Department will be glad to keep in touch with your High Commission in Ottawa. At the same time you may wish to convey to Mr. Robertson the outcome of any talks your officials may have with the Americans and with other Commonwealth representatives in London. I shall of course inform our High Commissioners in Commonwealth countries along the same lines.

On the question of the programme and budget, it will, as you suggest be a difficult problem to reconcile our need to keep budget increases to a minimum with pressures for projects which, though of questionable value themselves, are nevertheless important in the eyes of the Asians. As our analysis of the Proposed Programme and Budget progresses it would be most helpful to exchange views about the best lines to be followed in connection with many of the projects.

The suggestion of a general theme for the Conference on the subject of "Freedom for the Mind" is an interesting one and we should be glad to have a further indication of how it might be developed. Apart from introducing it in the General Debate we are not certain how it could be applied in discussions on various aspects of the detailed programme.

We have not as yet reached any conclusions on the desirable size of the Executive Board, nor have we information about all the countries that may stand for election to the vacant seats apart from requests for support from Belgium, Israel and Venezuela. We ourselves have no interest in adding the name of Canada to the ballot this year.

I was delighted to hear that David Eccles has decided to lead the United Kingdom delegation. Difficult as his job will be I know he will handle it with distinction. We are just now lining up our delegation and intend to make it as strong and effective as possible.

The Prime Minister and I are most grateful to you for bringing your views to our attention. If you have had an opportunity of discussing Unesco with Nehru, Mohammed Ali and Bandaranaike we should be most interested in learning something of their thinking.

Yours sincerely,

L.B. PEARSON

421. DEA/5582-AK-10-40

Extrait d'observation pour la délégation à la neuvième session de la Conférence générale de l'Organisation des Nations Unies pour l'éducation, la science et la culture, New Delhi, 5 novembre-5 décembre 1956

Extract from Commentary for Delegation to Ninth Session of General Conference of UNESCO, New Delhi, November 5-December 5, 1956

[Ottawa], October 15, 1956

Introduction

The ninth General Conference of the United Nations Educational, Scientific and Cultural Organization (UNESCO) will be held at New Delhi, India, from November 5 to December 5, 1956. This will be the first major United Nations conference to be held in Asia, which gives the Conference a special political significance which is further heightened by the fact New Delhi will see the Soviet Union for the first time in a position to play its full part in the Organization's activities.

2. For UNESCO itself the General Conference marks the end of a transition period inaugurated as a result of agreement reached at the Eighth Session in 1954 on the need for remodelling UNESCO's programme. The Ninth Session must try to assess the extent to which the hopes of the Eighth Session have been fulfilled during the transitional years of 1955 and 1956. Its primary task will be to maintain not only the principle but also the practice of concentrating the Organization's major activities within fewer fields and reducing those marginal activities which dissipate its resources out of proportion to the results obtained. The years 1957 and 1958 should therefore mark the beginning of a new era in programme planning and concentration of resources.

3. It will be the Canadian delegation's responsibility to assist in getting UNESCO well off on this new course. Experience suggests that this will not be easy. The political context of the Conference, already mentioned, will do nothing to simplify the task.

Historical Background

4. Canadian representatives participated with delegations from 46 other nations in drafting the Constitution of UNESCO in 1945, and the first General Conference of the Organization convened in November 1946 at Paris. In its early years UNESCO's energies were directed toward post-war rehabilitation. In Canada, the Canadian Council for Reconstruction through UNESCO (C.C.R.U.) was established to provide fellowships and scholarships for educators and scientists to study in this country, to collect books for the restoration of libraries and to offer direct aid to individuals and institutions in war-devastated countries. UNESCO's programme of rehabilitation having been largely completed, the C.C.R.U. terminated its activities in 1951 and surrendered its charter in 1953.

5. Meanwhile, in 1948, the first Director-General of UNESCO, Julian Huxley, was succeeded by Dr. Jaime Torres Bodet, of Mexico, an international authority on mass education. Then the aim was for UNESCO to concentrate on the eradication of ignorance and illiteracy in under-developed countries, and on other urgent problems of a specific nature. Substantial steps in this direction were taken during the next five years. Technical experts on education were despatched to Asia, Africa and Latin America. Fundamental education teacher-training centres were established at Parzcuaro, Mexico, and Sirs-el-Layyam,

Egypt. Research on compulsory education and educational techniques was initiated. On the whole, however, the relatively small resources of the Organization were dispersed over what the interested Canadian authorities considered to be much too broad a range of activities; the results were correspondingly disappointing.

6. At the sixth General Conference the Canadian delegation, together with others interested in a concentrated programme consisting of a limited number of practical projects, succeeded in obtaining approval of a resolution requiring the assignment of priorities to all proposed projects. At the seventh General Conference in 1952, this resolution was partially implemented and a programme and budget were approved. The Director-General resigned when the Conference did not approve the expanded budget which he had presented. An extraordinary session of the General Conference was called in July 1953, and Dr. Luther H. Evans, former Librarian of the United States Congress who had a background of administrative ability and experience, was elected Director-General. In his speech of acceptance Dr. Evans said:

"... UNESCO is groping for the best modalities of action to achieve peace and progress through education, science and culture, and in this it has made surprising progress in seven years; we must concentrate on the objective of determining conscientiously what type of activities and what methods and procedures are fruitful and give them priority over others ..."

Review and Reorientation

7. The new Director-General instituted a comprehensive survey of UNESCO and its programme, and the Secretariat of the Organization cooperated closely with a working committee of the Executive Board in the preparation of recommendations for a remodelled programme. Surveying the present situation, the committee listed UNESCO's outstanding accomplishments —

(a) It had strengthened and fostered international collaboration between specialists in many disciplines;

(b) It had launched an international attack on such outstanding educational and scientific problems as illiteracy and restoration of the world's arid deserts;

(c) It had focussed public attention on paramount problems which are the basis of world peace and the progress of mankind.

8. The Committee reported: "These are not inconsiderable achievements and UNESCO has no cause to be ashamed; to them must be added many other lesser results, more narrow in scope but each useful within its own limits; publications, radio programmes, films, exhibitions which have made their mark; reconstruction and relief activities.

9. "But no one, least of all those who know UNESCO best, would pretend that it has achieved all that it should have achieved or made the full impact on world opinion it should have made. If its action has sometimes been timid and fumbling, directed toward irrelevant or secondary aims, all too limited in relations to the problems to be solved, to what defects in the Organization's structure and programme can these shortcomings be attributed?"

10. In the Committee's opinion, some of these defects were:

(a) The complete confidence of governments of member states had not been won and effective national commissions had not been established in many countries;

(b) There had been a failure to enlist the interest of the world's intellectual leaders and a failure to gain public sympathy;

(c) Too much importance had been attached to abstract and general problems and too little action had been taken to meet urgent and immediate needs. Too much had been attempted with too limited resources.

11. With these achievements and inadequacies in mind, the working committee of the Executive Board proposed that the future programme of UNESCO be reconstructed in two phases of operations:

(a) Continuing general services — These would include all forms of international collaboration: clearing house documentation and information activities; promotion of international conferences and seminars; formation of international conventions and regulations; technical advice to the United Nations and other Specialized Agencies; and all of the other present activities which service the continuing requirements of member states;

(b) An action programme on specific problems — This programme would consist of a very few major projects (probably four or five) initiated by UNESCO, and others undertaken at the request of member states. The problems and projects should be specific and local, not general. For example; a major project on education might place special emphasis on primary education in South East Asia; or adult education in Latin America; or education of women in the Middle East. There would not be one project embracing all of these problems. Each project would be precisely defined in terms of the countries or regions during any given programme.

These proposals went a long way toward meeting Canadian view of what UNESCO should be and should attempt.

Transitional Years 1955-56

12. When UNESCO's Executive Board considered the proposed programme and budget for 1955-56 and the report on remodelling the programme of the Organization, it suggested that 1955-56 should be a transitional period.

13. Unfortunately, apart from an improved presentation, the all too familiar pattern of previous years was repeated in the 1955-56 programme and budget: a widely diversified programme of far too many indefinite and indecisive projects seriously overextending the limited resources of UNESCO. Such a programme could not reasonably be considered a transition to concentration on a few major projects.

14. The Director-General did not appear to have been able to break down the resistance of Secretariat officials and of the array of advisory committees of individual experts who were more concerned with the prerogatives of their respective disciplines than with the real needs of member states or urgent international problems within UNESCO's competence. It remained for the General Conference of 1954 to design a concentrated transitional programme which would serve as a firm base from which to launch the remodelled programme this year. In this it was moderately successful so far as it has been possible to assess results although there still remains a fatal tendency to proliferate projects.

15. Further general comments on the 1957-58 Programme and Budget and on Canada's attitude toward UNESCO are to be found in this Commentary under Agenda Item No. 7.[98]

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[98] Pour obtenir le rapport sommaire de la réunion de l'UNESCO, voir Canada, Ministère des Affaires extérieures, *Affaires Extérieures*, vol. 9, nº 4, avril 1957, pp. 144-147.
For a brief report on the UNESCO meeting, see Canada, Department of External Affairs, *External Affairs*, Vol. 9, No. 4, April 1957, pp. 144-147.

SECTION B

ORGANISATION INTERNATIONALE DU TRAVAIL
INTERNATIONAL LABOUR ORGANIZATION

422. DEA/74-AW-6-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], May 24, 1956

39TH SESSION OF THE INTERNATIONAL LABOUR CONFERENCE, GENEVA, JUNE 6-28

The ILO has been going through a troubled period ever since the USSR returned to the organization in April 1954. Shortly afterwards, Byelorussia and the Ukraine joined the ILO. There are now nine communist countries in the ILO — Byelorussia, Ukraine, Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Yugoslavia and the USSR. Romania is becoming a member shortly. The total ILO membership as of the end of December 1955 was 70. The only condition which United Nations members have to meet is that they formally accept the obligations of the ILO constitution. The Soviet Union first joined the ILO in 1934 (about one month after the United States came in). It played an inconspicuous part until the end of 1939 when the ILO Governing Body ruled that its membership was already at an end because of its expulsion from the League of Nations. The USSR began to show an interest again in the ILO shortly after Stalin's death and came back in 1954. Since then the problem which has disturbed the ILO has been the status of communist employer and worker delegates, — should communist countries have the same right as capitalist countries to send tripartite representation to the ILO?

2. The protest from many western employer and worker delegates against recognizing communist employer and worker credentials is upsetting the ILO very much. The unique tripartite representation at the ILO requires each member country to furnish two government delegates, one employer delegate and one worker delegate. It is argued by employers and workers from the west that the employer delegates from communist countries are in fact government officials, and that the communist worker delegates do not belong to organizations having the free right of association. However, it should be noted that the present ILO constitution gives to governments the responsibility of appointing and selecting all delegates. Article III (5) states that the non-government delegates should be chosen "in agreement with the industrial organizations, if such organizations exist, which are most representative of employers and work people, as the case may be, in their respective countries". Therefore, there is nothing in the ILO constitution to warrant excluding persons nominated to represent the work people or the managerial element in countries with communist, socialist, or fascist systems of government.

3. In 1954, the ILO Credentials Committee examined this problem thoroughly and the ILO Conference accepted its findings which were that the Soviet employer and worker delegates should be admitted. The Credentials Committee pointed out that there was nothing in the ILO constitution to prevent the acceptance of these delegates. The votes on these issues were: For seating Soviet bloc employer delegates, 105 for, 79 against, with 26

abstentions; for seating Soviet bloc worker delegates, 93 for, 83 against with 30 abstentions. The Canadian government delegates abstained, while the Canadian employer and worker delegates voted against.

4. Opinion in the ILO was so inflamed that early in 1955 the Governing Body set up a three-man committee (Sir Arnold McNair, former president of the International Court of Justice, who was designated Chairman of the committee, Mr. Pedro de Alba, former president of the Mexican Senate, and Mr. Justice Cornelius, judge of the Federal Court of Pakistan) to study and report on the "Freedom of Employers and Workers Organizations" in all ILO member countries. The committee's voluminous report was published in March 1956.

5. This issue of the status of communist employer and worker delegates is such a contentious question at the ILO (though the United States employers are the only group which has threatened to leave the ILO) that the Governing Body has adopted the following tactic in handling the McNair Report: there will be an exchange of views about its findings at the June 1956 Conference, but no decisions will be taken or resolutions adopted which might prejudice the full debate at the Governing Body's November 1956 meeting; then the June 1957 Conference will debate it fully.

6. The McNair Report is rather inconclusive since to some extent there was a split in the committee with Lord McNair and Mr. de Alba submitting the majority report. Also it is generally recognized that the appointment of the committee was a stalling move by the Governing Body which hoped not only that the report would show the complexities of the issue and thereby discourage hasty and ill-considered solutions, but also that given more time, competitive co-existence would somehow get the two opposing camps used to each other's company. The important points about the McNair Report are:

(a) its stress on the universality of the ILO;

(b) its illustration of the degrees of government control over employer and worker groups in many countries (not only in the communist countries). Governments can suspend or cancel registration of employer and worker groups without any application to a court of law, in at least 20 ILO member countries;

(c) its pointing out that there has been a big swing to government participation in economic activities over the last 20 or 30 years; it refers many times to the growth of the "public sector" in commerce and industry. (Canada has 13.2% of its civilian labour force in this public sector; U.S.A. 10.5%; Sweden 15%; Australia 20%; U.K. 22%; Turkey 28%; Israel 33%; USSR 100%;)

(d) its comments that in leading industrial countries there is not much opportunity for government domination and control, and the growing participation of governments in economic matters has not weakened employer groups.

7. Officials of this Department and the Department of Labour have met to discuss this ILO problem and agree that:

(a) the United Nations and its Specialized Agencies should be representative of all political philosophies and economic systems; whether or not we like a particular system, be it communist, socialist free enterprise or syndicalist, it should be in ILO. This position seems to follow from our action in working for the admission of the 16 new members of the United Nations;

(b) the present ILO constitution does not define the genus of economic systems which will send employer and worker delegates to ILO meetings; in fact, the constitution gives to governments the over-riding authority and responsibility for appointing and selecting employer and worker representatives. All governments, though they naturally soft-pedal this point, favour this principle of predominant government responsibility;

(c) the employer and worker delegates from western countries are acting unwisely, though understandably, in trying either to exclude the communist representatives or to amend the ILO constitution, since the ILO was never intended to be a club exclusively reserved for private enterprise economic systems. Any attempt to amend the ILO constitution would probably fail, but if it did go through, the result would be not only the exclusion of the communists but the exclusion of employer and worker representatives from other countries, notably those with authoritarian forms of government;

(d) the tripartite system of representation is essential[99] to the effective functioning of the ILO. All member governments support tripartite representation. Canadian worker and employer organizations support this principle too;

(e) pushing the communist countries out of the ILO or trying to demote them to "second class membership" with only government delegates[100] will not induce them to change their economic system since it is firmly entrenched and producing, in some cases, spectacular results.

8. Since 1954, the United States employer group has taken a position on the extreme right. Recently the U.S. administration has been trying to get Congress and the Senate to raise the U.S. contribution to the ILO. The Senate agreed to do so but only if the ILO would take away the vote from the communist employer and worker delegates.

9. The Canadian employer group, according to the Department of Labour, is not as far to the right as its United States counterpart. While the Canadian employer and worker groups have voted against seating the communist groups in the ILO, they are rather wary of espousing measures which might either break up the ILO or result in its becoming restricted to private enterprise economies. It is thought they would be receptive to ideas and suggestions from quarters other than United States employers. If they could be persuaded to adopt an independent position, there might be some hope of working out a Canadian position on which government, employer and worker delegates could all agree.

10. Will you let me know if you agree[101] with our point of view, particularly that outlined in paragraph 7. Also would you have a word[102] with your colleague, the Minister of Labour about this? While the Deputy Minister of Labour has tried in speeches before the Manufacturers Association and Chambers of Commerce to stress the usefulness and accomplishments of the ILO and its representative and universal quality, it seems to me that government officials can go only a limited way, and the government will have to take over now and give a lead to Canadian workers and employers about the universality, as opposed to the exclusiveness, of the ILO, and the value of the tripartite system. Since the ILO Conference opens in Geneva on June 6, any public statement which might be made around that date, would I think have an enhanced value.

R.M. M[ACDONNELL]

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[99] Note marginale :/Marginal note:
How do you reconcile this with the fact that there cannot be genuine tripartite representation from any Communist country? [L.B. Pearson]

[100] Note marginale :/Marginal note:
That is what they are now. [L.B. Pearson]

[101] Note marginale :/Marginal note:
but reservations only [L.B. Pearson]

[102] Note marginale :/Marginal note:
I have [L.B. Pearson]

SECTION C

AGENCE INTERNATIONALE DE L'ÉNERGIE ATOMIQUE
INTERNATIONAL ATOMIC ENERGY AGENCY

423. DEA/14001-2-6-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Under-Secretary of State for External Affairs
to Ambassador in United States

LETTER NO. DL-41 Ottawa, January 11, 1956

SECRET

Reference: Your Tel. No. 2053 of Dec. 16, 1955, and your memorandum of Dec. 15 concerning the International Atomic Energy Agency and the Control Problem.

INTERNATIONAL ATOMIC ENERGY AGENCY

We have studied with interest the report in your telegram of December 16 on the latest tripartite discussions, and your memorandum on the control problem, which sets out in detail some of the considerations which were in our minds when we drafted the Memorandum to Cabinet† which we discussed with you earlier. In the following paragraphs we shall outline some tentative views which you might try on your British and American colleagues, "on a personal basis", and for the time being only orally. We do not believe it desirable that they should have a "Canadian paper", at least until their own papers are forthcoming, and we should be grateful if you would consult with us before giving them our views in writing.

2. We think it would be desirable if you were to start by stating that although the Canadian Government is fully seized with the importance of developing a system of control to ensure that atomic resources intended for peaceful applications are not clandestinely diverted to the production of weapons, this, in its view, does not diminish the necessity of continuing to seek with vigour a solution to the basic problem of disarmament, working through the Disarmament Commission and its Sub-Committee as appropriate.

3. Our general aim in the forthcoming negotiations is to seek, support and participate in an effective control system, *provided* that in our judgment it is widely enough accepted and sufficiently effective to have a reasonable prospect of success (cf. paragraph 14 of Memorandum to Cabinet), and, of course, protects legitimate Canadian interests. You could then go on to outline our views on the control problem as follows.

4. Our views are based on certain assumptions, which are set forth in the next paragraph. These assumptions are the best we can make at the present stage and we believe they will be substantiated as negotiations proceed. Nevertheless we recognize that our views would have to alter if, in one way or another, our assumptions did not prove to be well-founded.

BASIC ASSUMPTIONS

5. We believe that the development of a generally acceptable control system must proceed from the following assumptions:

(a) member nations will not be willing to surrender sovereign rights unless such a surrender applies with equal force to all members, and unless all important eligible countries become members;

(b) under present conditions Canada and the other countries supplying uranium to the United States and United Kingdom for their weapons programmes could not accept any limitation of the right to continue to do so;

(c) so long as the United States, the United Kingdom and the USSR continue to make nuclear weapons certain countries (e.g. France) will not be prepared to undertake obligations which would preclude them from doing likewise.

ANALYSIS

A. *Control of Norwal Uranium*

6. It is clear that most nations producing uranium will be directing it into two channels; the American, British or Soviet weapons programmes on the one hand, and world-wide non-military requirements on the other. The question which then arises is what, if any, conditions should the producing countries stipulate as a prerequisite to making uranium available to other nations for peaceful purposes. The Canadian view is that the only realistic approach to this question is to recognize from the first that any scheme involving a system of "double standards", whereby some countries could obtain uranium for their non-military programmes without inspection and where other countries could not, would be unacceptable. In other words, if uranium for peaceful uses is to be made available under the aegis of the Agency, and if this in turn involves acceptance of Agency controls, then all material to be used for peaceful purposes by any country, big or small, would have to be provided under the aegis of the Agency.

7. If this analysis is correct, then clearly the question of the degree of control to be imposed through the Agency is entirely dependent on what the principal atomic powers themselves are prepared to accept. The United States, the United Kingdom and the Soviet Union will have to lead the way by indicating the degree of control which they are prepared to permit the Agency to exercise over their non-military programmes. It is reasonable to assume that the principal producers of uranium will then follow suit and at the same time require other nations receiving materials from them to do likewise. It should be emphasized that, in our opinion, if the United States, the United Kingdom and the USSR are not prepared to accept Agency control over their non-military programmes, then the principal uranium-producing countries like Canada could neither accept Agency supervision of their own programmes nor with justification seek to impose similar restrictions on other nations wishing to obtain uranium from them.

B. *Control of U235*

8. The difficulty and cost of producing U235 is so great that the countries currently possessing separation plants should be able to impose controls, irrespective of the existence of the Agency, which would be likely to remain effective for some time. However we anticipate that if power reactor development favours the use of enriched fuels, other countries or groups of countries (e.g. a European atomic power pool) will wish in due course to establish separation facilities of their own, and we doubt that they will be prepared to give any pledge that such plants would be used solely for peaceful purposes unless the present possessors of such plants would do likewise. We should be greatly surprised if France, for one, did not take this position.

C. *Processing Facilities*

9. As indicated above we believe it will be easy for countries supplying U235 effectively to insist that receiving nations agree to have the material reprocessed after radiation in plants belonging either to the country of origin or to the Agency, but we do not think the same is true in the case of natural uranium except under the circumstances set out in paragraph 6 above. However, even if it did not prove possible to develop a control plan through the Agency it might be advantageous for the Agency to operate reprocessing plants for use by member countries on a voluntary basis, since economic compulsions would favour their use and might accomplish a measure of control that proved unattainable by political means.

CONCLUSIONS

10. You might sum up your remarks to your American and British colleagues by saying that we are convinced from our experience in negotiating with the Indians on the NRX reactor and from our discussions at the Tenth General Assembly during the debate on the Atomic Energy Resolution that the effectiveness of control accomplished through the Agency will be directly proportional to the degree of control which the United States, the United Kingdom and the Soviet Union are prepared to accept over their non-military programmes. This poses the obvious question: "What specific controls, if any, are they prepared to accept?".

11. You might conclude by referring to the view expressed at your last meeting (paragraph 6 of your telegram of December 16) that if the Soviet Union did not join the Agency, or refused to cooperate, controls would be undesirable since countries would then turn to the USSR for assistance rather than accept Agency supervision. Much the same argument would in our opinion apply if any politically significant nation or group of nations found the plan unacceptable, since, apart from the political animosities it would create, in the long run it would only serve to encourage the development of uneconomic uranium deposits and processing facilities outside the control of the major powers or of the Agency. Furthermore we doubt that the Soviet Union would long be able to resist the temptation to exploit such a situation to the disadvantage of the Western powers. It is for this reason that we stated at the beginning that our support for a control system is qualified by the proviso that it should be widely enough accepted and sufficiently effective in nature to have a reasonable prospect of success.

R.M. MACDONNELL
for Under-Secretary of State
for External Affairs

424.

DEA/14001-3-1

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 186

Washington, January 31, 1956

SECRET. IMPORTANT.

Reference: Our telegram 158 of Jan 27/56.†

Repeat Permis New York No. 17.

INTERNATIONAL ATOMIC ENERGY AGENCY

In order that I should be in a position to express Canadian views at the tripartite meeting beginning on February 6, I shall in this telegram run over the main aspects of the meeting and ask for instructions to the extent that they are not presently available. I should be grateful for your prompt reply.

2. As we understand this meeting, it is essentially to enable the three governments most intimately concerned with the development of the Agency and the subject with which it is concerned, to exchange views and make the best possible preparation for the larger meeting on February 27. I assume that while the tripartite meeting should by this exchange of ideas clarify the subject to some degree, we cannot expect immediately neat solutions or, necessarily full agreement. The timing of the meeting will allow for reference to governments and — while this has not been discussed — possibly a further informal talk on one or two of the points involved after they have been re-examined.

3. I would not necessarily expect that the Three Powers would enter the twelve-power meeting with identical views. We can, however, hope not only to achieve understanding of each others ideas, but also to find room for re-interpretations and compromises which would be satisfactory to all three. I am sure, however, that the value of the tripartite discussion should not be judged wholly on the extent to which complete agreement on all points is achieved.

4. It has been tentatively agreed here that the subjects for discussion on February 6 shall be the "differences in viewpoint" listed in the background paper for the preparatory meeting of November 14 (your telegram DL-1977 of November 23). These are:

(a) Composition and manner of selection of the Board of Governors of the Agency.

(b) Extent of authority of the General Conference.

(c) Requirements for initial membership in the Agency.

(d) Relationship of the Agency to the United Nations.

(e) Procedures for approval of budget and proration of operating expenses.

(f) Extent to which a system of inspection and control will be incorporated within the Agency statute.

5. The Indian views on the Board of Governors as described in your telegram DL-141 of January 26† would, presumably, be discussed under the first item listed. We have already corresponded on this matter and share your views.

6. The Pakistan proposal for enlarging the negotiating group could, as you suggest in your telegram DL-156 of January 27,† be discussed at the tripartite meeting. The views expressed to us were not only given with apparently greater vigour, but also differed in substance from those expressed to you by Mr. Baig. In the argument put before us there was no suggestion of bartering a claim for inclusion in the negotiating group for a promise of support for a seat on the Board of Governors. The Pakistani appeal to us was based on more general principles and explicitly did not necessarily involve the inclusion of Pakistan itself. As we pointed out in our telegram 148 of January 26,† we felt that the most practical argument was that the underdeveloped countries would be more likely to support a draft coming out of the Washington meeting. Largely for this reason, I am inclined to the view that the Pakistani proposal should be given careful examination, but would welcome your comments.

7. A further matter which is naturally not listed in paragraph 4 above is the relationship to this subject of the negotiations concerning the CIR project. You will recall that it was the intention to keep the United Kingdom and United States informed on this subject. So

far we have done nothing more than to say that the negotiations were proceeding in such a way that there was good reason to expect a satisfactory result. We should, however, be glad of a paragraph from you indicating what could now be said of these negotiations.

8. It is clear that of the six subjects suggested for discussion at the tripartite meeting, that of control is the most significant and, in fact, possesses an overriding importance. The decision on control will affect the whole concept of the Agency and will undoubtedly influence the decision on the other items. I assume that the Canadian position on control is that set out in your DL-41 of January 11, and that our position should be based on this in the discussions at the meeting.

9. We do not as yet have much indication of what positions will be taken by either the United States of the United Kingdom. We can expect from the latest discussions, however, that the two countries will not be far apart on their ideas for control of U235 and probably we could go along with them. The further question is whether or not the Agency should attempt the control of natural uranium. That is important from our point of view and neither the United States nor the United Kingdom have declared themselves on this. At this stage it is difficult to anticipate what to expect from the United States and the United Kingdom.

10. Although it will be difficult at this time to take a firm decision on the composition of the Board of Governors, I assume that our position is to support a board not differing greatly from that of the draft statute. Undoubtedly the position of the uranium-producing countries on the board could be supported more strongly if control by the Agency were based on raw materials as advocated by us. As suggested in your draft memorandum to Cabinet (dated December 1/55), we should support the following principles for the Board of Governors:

(a) The size of the Board of Governors should be kept as small as possible to facilitate efficient management of the Agency.

(b) Membership on the board should be weighted in favour of nations which are going to have to provide the resources of atomic materials and technical knowledge.

11. On the question of the extent of the authority of the General Conference, it seems to me that, consistent with our ideas given above, we should support a strong Board of Governors and should resist any attempt to give greater powers to the General Conference. It would seem undesirable to attempt to give the General Assembly of the United Nations some or all of the functions belonging to the General Conference of the Agency.

12. It is doubtful that much discussion will take place at the tripartite meeting on the relation of the Agency to the United Nations. I assume, however, that I should base our position on the draft memorandum to Cabinet, and that with regard to the Security Council we should accept a wording to the statute that would simply require the Agency to observe and carry out any direction given to it by the Council within the field of the Council's jurisdiction under the United Nations Charter.

[A.D.P.] HEENEY

425. DEA/14001-3-1

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM DL-209 Ottawa, February 3, 1956

SECRET. IMMEDIATE.
Reference: Your telegram No. 186 of January 31.
Repeat Permis New York No. DL-68; London No. DL-191.

INTERNATIONAL ATOMIC ENERGY AGENCY

I agree entirely with your analysis of the purposes of the tripartite meeting as expressed in paragraphs 2 and 3 of your telegram. As you say, clarification of the views of the three governments most intimately concerned with the Agency is an essential step in preparing for the February 27 meeting, even though we cannot expect immediately neat solutions or necessarily full agreement. My comments on the specific problems to be discussed follow:

Extent to which a System of Inspection and Control will be Incorporated within the Agency Statute

2. As you point out the question of control is the most significant of the subjects to be discussed, and a satisfactory resolution of this issue is of over-riding importance to Canada. Our basic position is as set out in our DL-41 of January 11, but in your remarks on this subject I think it would be well to give added emphasis to our principal concern, perhaps along the following lines

(a) We assume that the United States and United Kingdom consider that acceptance by the purchaser of some form of control is required as a condition of sale of natural uranium.

(b) If this assumption is correct, then in our opinion the only hope of accomplishing such a purpose would be by way of a control system developed under the aegis of the Agency. We do not believe that exporting nations could successfully apply controls of the type envisaged on a unilateral basis. If Canada, for example, were to attempt to do so we would undoubtedly face competition from other producers who might not share our scruples as to the end use of the material, and who might not consider it necessary to stipulate any conditions to ensure that it was not diverted to military purposes. In addition, it must be remembered that uranium is widely distributed throughout the world and that, if the present producers impose onerous or unacceptable conditions, a good many nations might decide to develop their own sources of supply even if this did not make economic sense.

(c) Canadian authorities have an open mind as to the extent of the control measures required, but they do not wish to see an attempt to develop a control system which includes natural uranium as well as fissionable material under the aegis of the Agency go by default, and subsequently find Canada in the position that her "atomic allies" expect her unilaterally to insist upon the acceptance of controls by other states as a condition of the sale of uranium to them. Canada believes that an attempt to impose controls by this means would prove unrealistic and ineffective, and undoubtedly would damage her position as a potential major supplier of uranium and adversely affect her relations with other countries.

3. As you will have seen from our exchange of telegrams with New Delhi, we still have not reached agreement with the Indians on the text of the paragraph in the Canada-India

reactor agreement concerning the provision of the fuel elements. However, in developing our position on the control problem I think you might support our arguments by referring to our experience with the Indians. The main points are that India will not accept the fuel on a loan basis, will not give an undertaking to return irradiated rods to Canada for processing, and on principle insists on reserving the right to provide the uranium from Indian sources and to manufacture the rods itself.

4. In your 171 of January 28† you point out that control of United States and United Kingdom non-military installations, as provided in the plan developed in our DL-41, would require a large inspectorial apparatus, would make no direct contribution to security, and would serve only to maintain the principle that all countries are to be treated alike. For this reason you suggest that something less comprehensive and partaking more of the nature of a token acceptance of inspection by the three major atomic powers might be sufficient for our purpose.

5. It seems to us that the question is not whether it is sufficient for *our* purpose, but whether it will satisfy the other members of the Agency. The point we have been attempting to make the United States and United Kingdom appreciate is that whatever the extent of the control measures they seek to have others accept, they must be prepared to accept themselves. If a scheme involving only token acceptance of inspection by "the big three" can be sold to the other members of the Agency we would have no objection, but we would be greatly surprised if they bought it.

6. It is reasonable to assume that the United States and United Kingdom will not be far apart on their ideas for control of U235 and that probably we can go along with them. It might be useful to bring out for discussion the implications of two remarks by Gerard Smith, as reported in your telegram No. 117 of January 21.† He said first that the United States would be prepared to subject its bilateral agreements to Agency control, and second, that it would like to see the Agency take the position that it would not assist any country that had a weapons program. If interpreted literally this position would negate the United States-United Kingdom bilateral agreement. We are sure that this is not intended, but it points up the necessity of considering very carefully the relationship of bilateral agreements to the Agency. It also has a bearing on Smith's argument that under the system proposed by Canada a country could receive raw materials for a peaceful program and thereby be free to utilize its own uranium for a weapons program.

7. In the course of considering this matter recently we have been coming to the view that perhaps we should propose that all members of the Agency should agree that all transfers for peaceful purposes of reactor components and other "atomic hardware" and provision of technical assistance and services, as well as the supply of natural uranium and fissile material, would be carried out only under the aegis of the Agency and would be subject to acceptance of Agency control by the recipient.

Composition and Manner of Selection of the Board of Governors

8. The Canadian position on this matter is as outlined in paragraph 10 or your 186. Nevertheless I think there should be tripartite consideration of minimum concessions which may have to be made to the view shared by so many nations that the existing proposal is unsatisfactory and, indeed, unacceptable.

9. I am sympathetic to your concern over the Pakistani representations and agree that the matter should be discussed. Nevertheless I am impressed with the difficulties which would arise if we attempted to meet their point. To open up the list again would lead to demands for representation from the Scandinavian countries, Africa (no doubt both Israel and the Arabs), South America, and Asia. The Soviet Union would no doubt insist on the inclusion

of one of its satellites and the United States might parry by proposing the Philippines. When the dust settled I suspect that the Pakistanis would still consider their point as not having been met.

Relationship of the Agency to the United Nations

10. I agree that your position should be as outlined in paragraph 12 of your 186. Incidentally, you will by now have seen telegram No. 55† from New York reporting on the purported content of the Secretary-General's paper on this subject. It might be useful to discuss at the tripartite meeting what tactics we should follow if the Secretary-General pursues this tack when he convenes the Advisory Committee.

Financial Questions

11. Our general position with respect to financial matters is the same as for all international activities of this kind in which we participate. Financial questions are so dependent on the resolution of some of the more fundamental problems, such as control that it is not proposed to make any detailed comments at this time. In any case a representative of the Department of Finance is on the delegation and will be available to give advice.

12. There is one point which might be raised under this heading. The draft statute deals with arrangements for the Agency to acquire fissionable material and to make it available to countries receiving assistance. It does not provide for a circumstance which in our opinion is much more likely to occur, i.e. a bilateral transfer of such material under the aegis of the Agency, but not involving the Agency financially. Perhaps the appropriate sections of the draft statute should be revised to reflect this.

Other Questions

13. I have no comments to make on the extent of authority of the General Conference or on the requirements for initial membership in the Agency except to say that I agree with your understanding of our position on these points.

[J.] LÉGER

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426. DEA/14001-3-1

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

DESPATCH NO. 222 Washington, February 13, 1956

SECRET

Reference: Your telegram No. DL-209 of February 3, 1956.

INTERNATIONAL ATOMIC ENERGY AGENCY

Although you will be hearing directly from Mr. Bennett and Mr. Barton, it will perhaps be useful if we give you a report on the tripartite discussions that have taken place in Washington during the past week.

2. On Monday, February 6, a full meeting was held with Ambassador Wadsworth in the Chair. Both Admiral Strauss and Commissioner Libby of the Atomic Energy Commission were present and Sir Roger Makins represented the United Kingdom. Wadsworth immediately asked me to open the discussion. I began by suggesting that the United Kingdom

position paper (our telegram No. 209 of February 3†) be taken as the basis of discussion for the meeting since it was the only paper that was available. I then proceeded to outline the principal features in the Canadian attitude at some length, emphasizing our conclusion that the objective of control by the Agency should be peaceful uses and that the Agency's operations should not be directly aimed at weapons programmes. I said that we felt the extent to which a control system could be imposed would probably depend in considerable degree on what controls the United States, the United Kingdom and the USSR would accept in their own peaceful installations.

3. Sir Roger Makins said that he recognized the special position of Canada but he thought that the aim of the control of the Agency should be as stated in the United Kingdom paper, namely, to prevent the manufacture of nuclear weapons by countries other than the United States, the United Kingdom and the USSR. He pointed out the difficulty of distinguishing between a peaceful and a military programme in countries that had both and said that the United Kingdom would, therefore, have difficulty in accepting inspection of its own peaceful installations. He went on to point out that although the United Kingdom had admitted in their paper the possibility that they might agree to a system of auditing with inspection in their own purely civil projects, they certainly were not enthusiastic about this prospect and had not considered it very seriously. Sir Roger said the Agency should have authority to control bilateral agreements and suggested an amendment to the Statute to give the Agency the necessary powers (Annex 1†).

4. On the United States side, Admiral Strauss then presented his views. After some general remarks pointing out that President Eisenhower had had some degree of weapon control in his mind when he made his speech on the Agency to the United Nations, he said that a mutual inspection of United Kingdom and United States peaceful atomic developments would have little value and would in fact be meaningless. He thought there should be some middle ground between making the renunciation of a weapons programme a condition for joining the Agency and divorcing weapons completely from the consideration of the Agency. He thought it should be possible to get countries other than the U.S., the U.K. and the USSR to renounce atomic weapons for a period of years — say five — and this would give the Disarmament Commission further time for study of the problem. Commissioner Libby also spoke on the United States position but did not contribute much. He emphasized that the prospect of obtaining U235 would be a great incentive to countries to accept controls and he pointed out that an attempt to impose universal controls might add an appreciable factor to the cost of nuclear power. He also mentioned the difficulties of inspecting homogeneous reactors.

5. There was considerable further discussion which did not do a great deal to clarify the positions of the three countries. Unfortunately, Wadsworth did not follow our suggestion and use the United Kingdom position paper as a basis of discussion. As a result the meeting adjourned with the impression of a greater measure of agreement than in fact existed.

6. That this was true was immediately evident at a working level meeting held on Tuesday morning, February 7. We found at this meeting that, because we had suggested the United Kingdom paper as a basis of discussion, it had been assumed that we accepted the paper as a statement of our own position. The working level meeting then proceeded to discuss at considerable length the relative positions of the three governments and we were subject to questioning from both the United States and the United Kingdom about our view that Agency control should be confined to peaceful uses and should be universal. As a result of this meeting, the State Department representatives agreed to draft a paper comparing the positions of the three countries. This paper as prepared by the State Department is attached as Annex 2.† When it was subsequently submitted to the full meeting, I objected

to the presentation of the Canadian position and, as a result we have promised to produce a short paper outlining our attitude on control. The State Department paper is particularly interesting to us giving some indication of United States thinking. It adds nothing to the picture of the United Kingdom position given in their original position paper.

7. A second full meeting was held on Tuesday afternoon with all of the principals present except Admiral Strauss and Commissioner Libby. This meeting started with a discussion of the State Department summary of the positions of the three countries (Annex 2). I attempted again to make clear our views on the object of control by the Agency. As mentioned above it was agreed that we should prepare a short paper setting out our position. It was also agreed at this time that the technical representatives should get together to exchange views on the technical implications of a control scheme and to discuss whether it would be useful to continue technical discussions on control along the lines of the meeting at Geneva.

8. At this stage the United States representatives gave us a paper on the "Preliminary Positions for United States Delegation at the Twelve-Nation Meeting to be convened in Washington". This paper is attached as Annex 3.† It does not go very far to make the United States position on controls clear but it is interesting as indicating the United States attitude on certain other aspects of the Agency's operations. It defines the United States position on contribution of U235. It gives an indication of how the United States might handle bilaterals in relation to the Agency, and it suggests that the United States would foot the bills for a strong inspection system if other countries would accept it. After this short discussion on the control problem the meeting went on to consideration of the other items on the Agenda. The results of these discussions are summarized in the last part of this report.

9. At the close of this meeting, I brought up the question of enlarging the negotiating group as suggested by Pakistan (your telegram DL-156 of January 27th). It was apparent that both the U.S. and the U.K. representatives considered this a dead issue. The State Department and the Foreign Office have independently told the Pakistanis that the composition of the negotiating group was settled at the time of the General Assembly debate and they did not think it would be possible to reopen the question at this time.

10. At the technical discussions on controls it was disclosed that both the U.S. and the U.K. have studies in progress to assess the technical requirements of a control system. The AEC has a contract with the Vitro Corporation to make an Engineering Study of the requirements of an adequate control system. In addition the Argonne Laboratory is studying the application of the tracer techniques that were suggested by the U.S. at the Geneva meeting on Controls. The U.K., for their part, admitted that they were worried whether it was technically possible to maintain a control that would eliminate all chance of diversion and said that they have set up an exercise at their Windscale plant in which one group of employees simulates a diversion and a second group attempts to detect it. Neither the U.S. nor the U.K. studies have been completed and it will probably be from three to six months before any conclusions are reached.

11. It came out also in the technical discussions that the U.K. are having second thoughts about the requirement that enrichment in U235 should be limited to 20%. They pointed out strongly to the Americans that a requirement of this nature was certain to irritate the European nations and would undoubtedly be interpreted as a discrimination designed to give U.S. and U.K. a commercial advantage. They said that, while they felt it would be desirable to make some limitation of this nature, they did not think it wise to spell it out as a declared policy since this would only lead European nations to go all out to develop their

own sources of fissionable materials. The U.S. representatives were unconvinced and seemed to be determined to stipulate clearly in advance that the Agency should have at its disposal no significant quantities of U235 enriched to more than 20%.

12. At these discussions we were also given a report prepared by the AEC on "Inspection and Control under an International Agency" (dated December 9, 1955). Copies of this paper have been taken to Ottawa by Mr. Barton and Mr. Donald Watson of AECL. The study is based on the assumptions put forward previously by the U.S. at Geneva. From these assumptions an assessment is made of (a) the feasibility of controlling an operation which has received assistance from the Agency and (b) the feasibility of inspecting a country to detect clandestine operations. Since even the U.S. are not now seriously contemplating that the Agency should undertake overall inspection of a country, the second study is of only academic interest. Study (a), however, is pertinent and it should be noted that the AEC have estimated that the inspection of a moderately sized chemical plant requiring an operating staff of 200 people would require an inspection staff of 40 people of whom between one-third and one-half would be technical. The U.K. representatives agreed with this estimate and all present recognized that the task of finding suitable personnel for inspection teams of this size would be almost insuperable. The AEC representative said, however, that the cost of inspection of this magnitude would not be economically prohibitive.

13. This series of meetings and the discussions on control have served to clarify the problem and have given some indication of the attitudes of the three countries towards its solution. It is apparent that there is still considerable difference between the three governments on how the problem should be approached. Neither the U.S. nor the U.K. are disposed to accept the Canadian analysis of the situation and to consider seriously our proposed solution. The U.S. are not prepared to consider any suggestion that they should agree to inspection of their own facilities and, although the U.K. admit such a possibility in their position paper, they did not give any indication during the discussions that they had seriously taken this into consideration in their plans. The indications at present are that the U.S. will go into the Agency negotiations on the assumption that they can persuade other countries to accept the controls they seek to impose by the inducement of assistance, particularly of U235. The U.K., while realizing that such an approach is more likely to encourage countries to develop their own atomic resources in order to avoid controls, will nevertheless probably go along with the U.S.

14. The following are some notes on other items of discussion:

(i) *Composition of the Board of Governors*

Both the U.K. and the U.S. have produced specific amendments to the provision in the Statute covering the Board of Governors. We attach these as Annexes 4† and 5† respectively.

The U.K. have been impressed by the chorus of dissent against the privileged position given to the uranium producing countries and therefore have increased the criteria for inclusion in category 2 and have added an additional member to this group. Behind the increase in members is the desire to provide a place in this group for India. The U.S. are unhappy about this arrangement since it would leave Brazil as the only state in the negotiating group not included in the first Board.

The U.S. amendment leaves the total membership of the Board at sixteen but increases the number of members in category 3 at the expense of category 2. The State Department felt that the uranium producers were over represented and have therefore given greater weight to the elected members. They also think that it is necessary to name the First Board without assigning categories since they do not see from precedent how any of the negotiating states can be excluded. The U.S. pointed out that if members in category 2 were not allowed to succeed themselves, all the uranium producers would be sure to serve frequently on the Board.

The U.K. representatives object that naming the First Board without any categories might make it difficult to insist on categories for subsequent boards and that it would be impossible to accommodate all the negotiating states in categories 1 and 2 of the U.S. formula. For their part, the U.S. do not like the U.K. amendment because it does not give sufficient weight to the elected members.

During the discussions on the Board, the question of the Interim Board and its relation to ratification of the Statute was raised. It was apparent that the reasons for designating both an Interim and a First Board were not too clear and that it would be necessary to reconsider the relations between the provisions in the Statute for entry into force of the Agency and for the Interim Board. The State Department are to study these problems and are to let us have some further suggestions.

(ii) *Authority of the General Conference*

The State Department felt that it was necessary to concede something to the agitation for more authority for the General Conference and, accordingly, they have studied the Statute to see what powers could be given to the Conference without seriously interfering with the principle that the Board should be the effective operating organ. The points on which the U.S. would be prepared to increase the power of the General Conference are listed in Annex 6.

There was no serious objection to any of the suggestions made by the U.S. and the other delegations agreed to consider them. During the discussions on these suggestions Mr. Plumptre pointed out that the Budget portions of the Statute would undoubtedly become increasingly important in the future and that it might become advisable to have two or even three budgets covering such aspects of the work of the Agency as administration, operations and inspection. If this were so, it might not be appropriate to have all three budgets go to the General Conference for approval. The meeting felt that this suggestion had a great deal of merit and it was agreed that it would be extremely useful if Mr. Plumptre would write a paper outlining his views on how the Agency budget should be handled.

(iii) *Relationship with the U.N.*

There was some discussion at the meetings on the relationship of the Agency with the U.N. and the State Department presented a paper making some suggestions (Annex 7†). However, in view of the changed position arising from the Secretary-General's draft paper it is hardly worthwhile to say anything on this subject at this time.

15. It was decided that another full tripartite meeting would be held on February 16th to review again the positions on Control Policy and to see if a decision could be reached on the tactics for the Conference beginning February 27th.

A.D.P. HEENEY

427. DEA/14001-2-6-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELEGRAM DL-265 Ottawa, February 14, 1956

SECRET. IMMEDIATE.
Repeat Permis New York No. DL-93; London No. DL-237.

INTERNATIONAL ATOMIC ENERGY AGENCY

My immediately following telegram gives the text of a statement outlining Canadian views on inspection and control in connection with the International Atomic Energy Agency which you may give in writing to your United States and United Kingdom colleagues and use as a basis of discussion at the meeting to be held on February 16.[103]

2. For your information, it is our intention, when we have received your report on what happens at the meeting, to revise the draft memorandum to Cabinet and submit it to Cabinet for approval, probably next week.

3. London please arrange to pass a copy of the statement to Roper at the Foreign Office as soon as possible. Roper suggested that it might be given to Miss Moore.

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428. DEA/14001-2-6-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELEGRAM DL-266 Ottawa, February 14, 1956

SECRET. IMMEDIATE.
Reference: My immediately preceding telegram.
Repeat London No. DL-238; Permis New York No. DL-94.

INTERNATIONAL ATOMIC ENERGY AGENCY — CANADIAN VIEWS ON INSPECTION AND CONTROL

Text Begins: The Canadian Government believes it is essential that the positive aim of peaceful development be kept in the forefront in negotiating for the establishment of the International Atomic Energy Agency. The Agency should not merely provide materials, "know-how", and "hardware" under its own auspices but should attempt to so set the world atomic stage that, over the long run, there can be the maximum exchange and trade in these things with the minimum danger that they could be diverted from peaceful to military purposes.

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[103] Le rapport de Washington concernant cette réunion n'a pas pu être trouvé.
The report from Washington on this meeting was not located.

2. It is agreed that one of the primary purposes of the Agency is to divert interest and effort from military to peaceful programmes. If follows therefore that universality of membership is essential. The subsequent comments are predicated on this principle.

3. It is the Canadian view that the object of instituting an inspection and control system under the International Atomic Energy Agency should be to ensure that atomic resources intended for peaceful purposes, including technical knowledge and assistance, reactors and equipment, and fertile materials, as well as fissile materials, are not diverted to military purposes.

4. The system of control and inspection would be of real importance in deterring member nations from embarking upon or furthering weapons programmes, in a number of practical ways:

(a) To the extent that it furthered the application of atomic energy to peaceful purposes it would safeguard against its being used for the production of weapons;

(b) It would be a viable system, increasing in size and significance as peaceful atomic energy programmes developed throughout the world (in contrast with a system limited in application to nations "receiving assistance", which would decrease in size and significance as more and more countries became self-sufficient);

(c) Agency inspectors would derive useful knowledge of other activities in the course of their inspection on installation and operation of peaceful establishments;

(d) The Agency would build up useful statistical information concerning national supply;

(e) The system might have value as a working model for possible extension to cover atomic weapons control.

5. Control under the aegis of the Agency could only be effective if all politically significant nations were members of the Agency and agreed to abide by the terms of the control régime established by the Agency. It follows, therefore, that the control plan should not embody features which would be so objectionable, either politically or technically, that they tended to drive some nations outside the pale of the Agency. If the negotiating governments attempt to impose in one way or another the retention of the present atomic weapons monopoly as their major objective, it will be exceedingly difficult to convince some nations that they stand to derive sufficient benefit to accept such an infringement upon their sovereignty, particularly at a time when it is becoming obvious that very shortly modern air defence systems, both in Europe and North America, will rely primarily on the use of atomic defensive weapons.

6. The problem of atomic disarmament is an exceedingly complicated and difficult aspect of disarmament generally which the United Nations Disarmament Commission is dealing with through its Sub-Committee. The introduction of this problem into the negotiations to establish the Agency can only cause trouble.

7. The Canadian authorities believe that a number of countries will not be prepared to accept controls unless all members of the Agency are prepared to do so. In their opinion, refusal of contributing countries to make a gesture towards acceptance of control may prejudice some nations against joining the Agency, or at the very least may jeopardize the successful application of a control system.

8. The Canadian authorities also believe that in order to achieve the necessary degree of universality, bilateral agreements should be subject to the inspection and control régime of the Agency. The establishment of a "separate but equal" régime outside the Agency will detract from the importance of the Agency and the incentive of individual governments to obtain assistance under its auspices. In this connection it must be borne in mind that, while

at the present time there are only a few countries which are in a position to provide assistance either in the form of materials, equipment or information, this situation is sure to change. For example, it is now evident that some of the countries of Western Europe which may initially seek assistance through the Agency will at a not too distant date be in a position to provide assistance to other countries.

9. It is primarily for these reasons that the Canadian authorities consider that from the outset of the negotiations to establish the Agency the emphasis should be on the positive aspect of measures to facilitate the application of atomic energy to peaceful purposes rather than on the negative aim of seeking to prevent the establishment of further weapons programmes. At the same time they believe that an inspection and control system along the lines suggested above would make an important indirect contribution to the accomplishment of the latter purpose. Text ends.

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429. PCO

Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet

Memorandum from Secretary of State for External Affairs
to Cabinet

CABINET DOCUMENT NO. 35-56 Ottawa, February 20, 1956

SECRET

PROPOSED INTERNATIONAL ATOMIC ENERGY AGENCY

On February 27, 1956, a twelve-power conference "of experts at the working level" will convene in Washington to consider the text of the draft statute for the proposed International Atomic Energy Agency. Representatives of the following nations will participate:

Australia
Belgium
Brazil
Canada
Czechoslovakia
France
India
Portugal
South Africa
United Kingdom
U.S.S.R.
U.S.A.

2. The Canadian delegation will be headed by our Ambassador in Washington, and will include the President of Atomic Energy of Canada Limited and a representative of the Department of Finance.

3. The principal points at issue are as follows:

(a) the extent to which a system of inspection and control will be incorporated within the Agency statute;

(b) the composition and manner of selection of the Board of Governors;

(c) the relationship of the Agency to the United Nations.

4. Attached to this memorandum is a paper setting out the detailed considerations which have led to the following recommendations.

Recommendations

5. It is recommended that the Canadian delegation to the twelve-power conference of "experts at the working level" considering the draft statute of the proposed International

Atomic Energy Agency should pursue the following aims, as developed in the attached paper:

(a) to seek and support the most effective control and inspection system for which it is possible to obtain general agreement, so as to facilitate the peaceful development of atomic energy throughout the world with the minimum danger that such development will be diverted to the production of weapons;

(b) to seek to obtain agreement on a Board of Governors for the Agency based on the following principles:

(i) the size of the Board of Governors should be kept as small as possible to facilitate efficient management of the Agency;

(ii) membership on the Board should be weighted in favour of the nations which will have to provide the resources of atomic materials and technical knowledge;

(c) to seek to obtain agreement that the relationship of the Agency to the United Nations should be that of a Specialized Agency, or failing this, that the functions assigned to the General Assembly do not exceed those which normally would be vested in the Economic and Social Council; in regard to the Security Council the Statute of the Agency should simply require it to observe and carry out any direction given it by the Council within the field of the Council's jurisdiction under the United Nations charter.[104]

L.B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Note

Memorandum

SECRET [Ottawa], February 20, 1956

PROPOSED INTERNATIONAL ATOMIC ENERGY AGENCY

In December 1953, speaking to the United Nations General Assembly, President Eisenhower proposed the creation of an "atomic pool" to further the development of atomic energy for peaceful purposes throughout the world.[105] There followed a protracted period of negotiations which resulted in the production of a "draft statute" to provide for the establishment of an International Atomic Energy Agency. The draft was prepared by the United States, in consultation with the United Kingdom and Canada in the first instance, and subsequently with Australia, South Africa, France, Belgium and Portugal. The selection of this group of powers, apart from the United Kingdom, France and Canada, was determined by the fact that they all have contracts to provide uranium for the United States and the United Kingdom.

2. In the summer of 1955, the United States, with the co-sponsorship of the other powers listed above, circulated the draft statute to all government members of the United Nations or the Specialized Agencies with a request for comments in order that they might be taken

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[104] Le 23 février 1956, le Cabinet a approuvé les recommandations exposées au paragraphe cinq.
The recommendations set out in paragraph five were approved by Cabinet on February 23, 1956.

[105] Voir/See *Public Papers of the Presidents of the United States: Dwight D. Eisenhower 1953*, Washington D.C.: United States Government Printing Office, 1960, pp. 813-822.

into account in the preparation of the final version of the statute. Attached as Appendix "A"† is an outline of the main features of the draft statute.[106]

3. At the General Assembly last autumn a resolution was adopted which noted with satisfaction that substantial progress had been made toward the establishment of the Agency, and among other things welcomed "... the extension of invitations to the Governments of Brazil, Czechoslovakia, India, and the USSR to participate as Governments concerned with the present sponsoring Governments" in the further negotiations.[107]

4. Immediately following the debate in the United Nations the United States issued invitations to the other members of the group of twelve nations mentioned above to participate in a conference "of experts at the working level", which has been arranged to convene in Washington on February 27, to discuss the draft statute. It is intended that the Canadian delegation to this conference will be headed by our Ambassador in Washington, and include the President of Atomic Energy of Canada Limited and a representative of the Department of Finance.

5. From the discussions in the United Nations and from the comments on the draft statute submitted by governments it is evident that the principal points at issue are as follows:

(a) composition and manner of selection of the Board of Governors of the Agency;

(b) relationship of the Agency to the United Nations;

(c) extent to which a system of inspection and control will be incorporated within the Agency Statute.

In the following paragraphs each of these points will be discussed briefly and the position stated which it is proposed that the Canadian delegation should take at the February meeting mentioned above. Item (c) is considered first as it raises problems of the greatest concern to Canada.

Extent to which a System of Inspection and Control should be Incorporated within the Agency Statute

6. It has been the Canadian objective to have developed under Agency auspices a control plan under which uranium could be freely marketed for peaceful purposes throughout the world with assurance that it could not be diverted to the production of weapons. To accomplish this purpose it was considered that all politically significant nations would have to be members of the Agency, and that the peaceful programmes of all members would have to be subject to Agency control and inspection procedures.

7. At tripartite talks with the United States and United Kingdom, just concluded, the United States made it clear that in two important respects they were not prepared to accept the Canadian concept:

(a) The United States was unprepared to accept Agency supervision of its peaceful atomic programme on the ground that since it already had atomic weapons, such inspection would be meaningless. The United States representatives were unmoved by the argument that only in this way could acceptance of inspection be made politically palatable to other countries.

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[106] Pour obtenir le texte intégral du statut préliminaire, voir United States, Department of State, *Bulletin*, Volume XXXIII, No. 852, October 24, 1955, pp. 666-672.
For the complete text of the draft statute, see United States, Department of State, *Bulletin*, Volume XXXIII, No. 852, October 24, 1955, pp. 666-672.

[107] Pour obtenir le texte de la résolution, voir Dusan J. Djonovich, *United Nations Resolutions: Resolutions Adopted by the General Assembly*, Series I, Volume 5, 1954-1956, New York: Oceana Publications, pp. 186-187.
For the text of the resolution, see Dusan J. Djonovich, *United Nations Resolutions: Resolutions Adopted by the General Assembly*, Series I, Volume 5, 1954-1956, New York: Oceana Publications, pp. 186-187.

(b) The United States reserved the right to make bilateral atomic agreements with other countries outside the aegis of the Agency, but would undertake in such cases to require acceptance by the recipient country of a control régime not less rigorous than that imposed by the Agency. Canadian and United Kingdom officials argued that the making of bilateral agreements outside the Agency would detract from the importance of the Agency and from the incentive to individual governments to obtain assistance under its auspices. The United States position was that it was not prepared to tie its atomic assistance programme completely to the Agency, at least until it had some idea of how effective the Agency might prove to be.

8. Initially, the United States position at the tripartite talks was that the Agency should not give assistance to any country with a weapons programme, and that all countries except the United States, the United Kingdom and the USSR should undertake for a five-year period not to initiate a weapons programme. The Canadian representatives made it clear that in their opinion proposals of this sort would be unacceptable to other nations, and that in any case they should be considered in the context of disarmament and not the peaceful uses of atomic energy. In the end the United States accepted the Canadian arguments and decided to drop this approach.

9. The United Kingdom position in these discussions was intermediate between those of the Canadian and Americans. Both United Kingdom and United States officials had as their primary objective the maintenance by "the Big Three" of the nuclear weapons monopoly, but the United Kingdom agreed with the Canadian view that bilateral agreements should be made subject to Agency inspection procedures, and recognized that in order to make inspection of their programmes acceptable to other nations it might have to make a gesture in this direction itself.

10. At the conclusion of the tripartite talks the United States tabled certain amendments to the draft statute for the Agency which it intends to bring forward at the twelve-power meeting on February 27. These amendments provide for the operation by the Agency of a physical security system and strict accountability procedures which would apply to any atomic facility for which assistance had been provided under Agency auspices.

11. Both the United Kingdom and Canadian representatives said that these amendments seemed generally acceptable, subject to changes in detail. The Canadian representative added however that the Canadian authorities were doubtful that this limited concept would provide adequate control over natural uranium. Such being the case, it should be clearly understood that Canada reserved the right to make uranium available to other nations under whatever conditions seemed to it to be appropriate.

12. Our Ambassador in Washington has summarized the present situation in the following terms:

"There can be no doubt that the position now taken by the United States and the United Kingdom, and which, I presume will be supported at least tacitly by us, should simplify quite appreciably the negotiations at the twelve-nation conference. The control policy adopted does not require any group of countries to give up any essential rights. The United States are not asking any commitments about weapons programmes and they themselves have retained a free hand in bilaterals. The controls are firmly tied to assistance so that a country always has a choice between acceptance of controls and rejection of assistance.

Unfortunately, however, it is difficult to see how such an approach can result in either a strong agency or an adequate control system."

13. It is recommended that the Canadian delegation to the twelve-power conference should seek and support the most effective control system for which it is possible to get general agreement, so as to facilitate the peaceful development of atomic energy throughout the world with the minimum danger that such development will be diverted to the production of weapons.

Composition and Manner of Selection of the Board of Governors

14. The section in the draft statute dealing with the Board of Governors has two controversial features. First, it weights the total membership of sixteen in favour of the five most advanced atomic powers (United States, United Kingdom, USSR, France and Canada) and the eight principal producers of raw materials, by a provision that ten of the members shall be selected from these two groups (five from the first and five from the second), and second, the procedure for selection will tend to make the composition of these two groups self-perpetuating. These features, or some variant of them, have been considered essential in order to ensure that the nations which will have to provide atomic materials will have some measure of control over the activities of the Agency. The only alternative would appear to be the adoption of a system of weighted voting, but this has been rejected after much study as impractical.

15. There is, however, one anomaly which it would appear necessary to correct. Under the current plan all of the group of twelve negotiating powers except India and Brazil are assured of seats on the first Board under the two categories mentioned above. This difficulty could be met by providing that all twelve nations should be appointed to the first Board. Thereafter the problem would be resolved by selection as provided in the statute.

16. It is anticipated that the main objections to the current provisions for the Board of Governors will be as follows:

(a) the USSR will argue that the nations holding permanent seats on the Security Council should have permanent seats on the Board of Governors;

(b) some, if not all of the principal producers of raw materials will press for permanent seats instead of selection on a "five out of eight" basis;

(c) India will seek to have the present system replaced by one involving election "on an equitable geographical basis", thus greatly increasing the number of seats likely to be held by the atomic "have-not" nations.

17. It is proposed that the Canadian delegation should seek a solution based on the following principles:

(a) the size of the Board of Governors should be kept as small as possible to facilitate efficient management of the Agency;

(b) membership on the Board should be weighted in favour of the nations which are going to have to provide the resources of atomic materials and technical knowledge.

Relationship of the Agency to the United Nations

18. The draft statute merely provides that the Board of Governors with the approval of the General Conference may enter into an agreement establishing an appropriate relationship between the Agency and the United Nations. However, it is well-known that the original group of sponsoring nations, including Canada, believes that the relationship should be that of a Specialized Agency.

19. In the course of the debate at the General Assembly this autumn it became evident that a number of nations, and in particular India and the Scandinavian countries, favour "a closer relationship". The USSR believes that questions "falling with[in] the competence of the Security Council ... should be turned over by the Agency for decision by the Security Council".

20. It is recommended that in the first stage of the discussions the Canadian delegation should continue to uphold the Specialized Agency relationship. In the event that it develops that some concession to the demand for a "closer relationship" is necessary, the delegation should seek to ensure that the functions thereby assigned to the General Assembly do not exceed those enjoyed by the Economic and Social Council in relation to the Specialized Agencies, and in regard to the Security Council the Statute of the Agency should simply require it to observe and carry out any direction given it by the Council within the field of the Council's jurisdiction under the United Nations Charter.

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430. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT NO. 180-56 Ottawa, September 12, 1956

SECRET

CONFERENCE ON THE STATUTE FOR THE INTERNATIONAL ATOMIC ENERGY CONFERENCE

On September 20 there will open at United Nations headquarters in New York a general conference to discuss and, it is hoped, to approve a statute for the proposed International Atomic Energy Agency. Representatives have been invited from all countries members of the United Nations or a Specialized Agency, and it is expected that some eighty national delegations will attend. Canada will be represented by Mr. M.H. Wershof, Assistant Under-Secretary of State for External Affairs and active head of the Delegation, and Mr. W.J. Bennett, President of Atomic Energy of Canada Limited.

2. The Conference will have before it a proposed statute prepared by a twelve-power "working level conference" which met from February 27 to June 28 in Washington. Canada was a member of that preparatory conference; the instructions given to our Delegation at that time, and the background of the plan for the proposed Agency, are set out in a memorandum to Cabinet of February 20.

3. Although there were reservations by various countries on individual articles, the proposed statute was unanimously approved by the preparatory meeting for submission to the forthcoming Conference. It is based fairly closely upon the earlier draft referred to in that memorandum, and the comments then set out and the instructions then approved may still be regarded as generally applicable. At the conclusion of this memorandum there are recommended certain objectives which it is considered that the Canadian Delegation should pursue at the forthcoming Conference. These are based on those approved last February, but are modified to take account of certain developments during and since the preparatory meeting, developments of which some account is given in the intervening paragraphs below.

4. There is now considerable evidence that most governments, including that of the USSR, wish to see the Agency come into existence and are likely to join it provided it does not differ too drastically from what they individually might prefer. Subject to points of difference discussed in more detail below, the present draft is generally acceptable to those governments (comprising a most influential group) which participated in the preparatory conference, and in particular is satisfactory to those powers with which Canada has been closely associated during the preparatory period. This is not to say that there have not been substantial concessions made to the views of others by all parties. On certain points it was not possible to reach unanimous agreement; in such cases individual governments entered reservations to the majority decision, and will no doubt re-open debate on these points at the forthcoming conference. It is to be hoped, however, that decisions will be reached on such points which can be accepted by all governments concerned, so that the Conference may conclude with the signature by all delegations of an agreed statute to be submitted to governments for ratification.

5. The most important present differences of view relate to:

(a) the composition of the Board of Governors,

(b) "the sovereign rights of states" in relation to the Agency,

(c) the relationship of the Board of Governors to the General Conference,

(d) the control and inspection provisions,

(e) financial arrangements, and their impact on the scope and organization of the Agency, and

(f) membership in the Agency.

The USSR has entered reservations on each of these points, and India on the composition of the Board of Governors and on the control and inspection provisions.

6. Perhaps more difficult than the negotiation of the other twenty-two articles taken together was the attempt to reach agreement on the composition of the Board of Governors. In the course of protracted discussions the western powers made substantial concessions to the concept, advanced by India and the USSR, that the Board should be based upon the principle of geographical representation. The formula finally adopted in the draft reflects a reasonable compromise between this concept and the western preference for functional representation, and unanimous agreement despite the Indian and Soviet reservations was very close. It is hoped that the present formula will be accepted by the forthcoming Conference, since a number of the western countries have indicated that it represents their maximum concession; failure to agree on this article could have very serious consequences for the success of the Conference.

7. It is not unlikely that the Soviet position on "the sovereign rights of states" and its wish to assign to the General Conference a greater measure of authority vis-à-vis the Board of Governors are designed primarily to gain credit in the eyes of underdeveloped or uncommitted countries. It is not expected that these reservations will give rise to great difficulty, but the Soviet insistence on the observation of "the sovereign rights of states" has not been clearly explained and there may be some effort to use this slogan to weaken the control system. India has opposed the extension of the controls (as provided in the draft) to source materials (i.e. natural uranium and similar items). It may well be that a number of other governments will join in this opposition, and it might therefore not be possible to obtain acceptance of effective control arrangements extending to natural uranium. It is apparently generally accepted, however, that adequate controls should be provided for "special fissionable materials", i.e. enriched uranium and plutonium. The Canadian Delegation, in view of Canada's interest as a major producer of natural uranium,

will follow carefully these points relating to controls. Enquiries concerning the possible purchase of uranium from Canada are becoming increasingly frequent, and it will no doubt be necessary for the Canadian Government soon to consider its policies in connection with the marketing of uranium abroad. While that question will raise a number of major problems not relevant in this context, the Agency pattern of controls on international transactions in atomic materials will be an important factor in determining our position on the export of uranium.

8. At Washington, Canada stressed the importance of sound financial procedures and effective organizational arrangements as a prerequisite for the development and successful operation of an Agency capable of discharging the important responsibilities to be entrusted to it. To this end the Delegation supported establishment of an organization with adequate scope and financial resources. At the same time, recognizing the need for prudent management and responsible financial direction the Canadian Delegation sponsored statutory provisions designed to ensure effective and economical administration, equitable sharing of costs and responsible financial control. In particular, the relative powers of the Conference and the Board of Governors were carefully defined so as to give the Board adequate influence to ensure effective operation and sound growth.

9. The main financial article in the present Statute is based on a Canadian draft, and the Delegation to the forthcoming Conference should seek to preserve its essential features.

10. The USSR has held out strongly for membership in the Agency and a seat on the Board for Communist China. This was of course vigorously opposed by the United States, and the draft adopted by majority decision (while not specifically excluding any country) would render it difficult or impossible for Communist China to have an application for membership approved. While a number of delegations did not fully agree with the United States on this question, there appeared to be fairly broad support for the view that the establishment of an essentially functional body was not the appropriate forum for the resolution of this controversial and important political question. The present formula, therefore, by implication defers the question of Communist China's accession until such time as that government may be admitted to the United Nations. Nevertheless it is to be expected that this question may be hotly debated, and Canada may once again have difficulty in taking a satisfactory and defensible position.

11. *Recommendations*

It is recommended that the Canadian Delegation to the Conference on the Statute of the International Atomic Energy Agency should work for the establishment of an International Atomic Energy Agency along the lines proposed in the present draft Statute, and in particular should be guided by the following objectives:

(a) to seek to obtain agreement on a Board of Governors for the Agency based on the following principles:

(1) The size of the Board should be kept as small as possible, consistent with (3) below, in order to facilitate efficient management of the Agency.

(2) The Board should be sufficiently independent of the General Conference of the Agency to permit effective operation.

(3) Membership on the Board should be so distributed that, while the concept of geographical representation is properly reflected, the Board shall nevertheless be sufficiently responsive to the views of those governments which will have to make available atomic materials and technical knowledge to provide for responsible conduct of the Agency's affairs.

(b) to seek and support the most effective control and inspection system for which it is possible to obtain general agreement, so as to facilitate the peaceful development of atomic energy throughout the world with the minimum danger that such development will be diverted to the production of weapons.

(c) to seek the adoption of sound financial procedures and organizational arrangements which will contribute to effective action and sound growth.

(d) to attempt to avert a major division of the Conference, should the risk appear serious, on the question of Communist Chinese membership; this to be attempted:

(1) on the one hand, by seeking support from those favourable to such membership for the view that the United Nations itself rather than the Conference is the appropriate forum in which to settle the question of China's role in major international organizations, and

(2) on the other hand, by attempting to obtain from those opposing such membership agreement to accept a non-committal formula which will be as little offensive as possible to the supporters of Communist Chinese membership.[108]

[L.B. PEARSON]

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431. DEA/14001-3-1

Le secrétaire d'État aux Affaires extérieures
aux chefs de poste à l'étranger

Secretary of State for External Affairs
to Heads of Post Abroad

CIRCULAR DOCUMENT NO. A. 76-56 Ottawa, December 28, 1956

CONFIDENTIAL

CONFERENCE ON THE STATUTE OF THE INTERNATIONAL ATOMIC ENERGY AGENCY

I attach for your information a copy of the report of the Canadian delegation to the Conference on the Statute of the International Atomic Energy Agency.

I should like to draw to your attention the fact that in certain places in the report, and in particular in paragraphs 3, 5 and 10 of Annex IV, there appear assessments of the performance by delegations of certain friendly powers. For this reason you should not show the report to representatives of any other government.

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[108] Le 13 septembre 1956, le Cabinet a approuvé ces instructions destinées à la délégation canadienne : « subject to the understanding that the delegation would, in general, adopt the same attitude as the United States, and presumably the United Kingdom, on the question of membership of communist China ».
Cabinet approved these instructions to the Canadian delegation on September 13, 1956 "subject to the understanding that the delegation would, in general, adopt the same attitude as the United States, and presumably the United Kingdom, on the question of membership of communist China."

Aside from points such as those referred to in my preceding paragraph, you may at your discretion discuss the material in the report with representatives of other governments.

W.D. MATTHEWS
for Secretary of State
for External Affairs

[PIÈCE JOINTE 1/ENCLOSURE 1]

Rapport de la délégation

Report by Delegation

CONFIDENTIAL

CONFERENCE ON THE STATUTE OF THE INTERNATIONAL ATOMIC ENERGY AGENCY — NEW YORK, SEPTEMBER 20-OCTOBER 26, 1956

SUMMARY

The Conference on the Statute of the International Atomic Energy Agency opened at United Nations Headquarters in New York on September 20, 1956. It was convened by a group of twelve powers (Australia, Belgium, Brazil, Canada, Czechoslovakia, France, India, Portugal, South Africa, the Soviet Union, the United Kingdom and the United States), which had prepared a draft statute at a "Working Level Meeting" held in Washington during the spring of 1956. The draft was prepared, and the Conference to consider it convened, in accordance with an invitation in a resolution unanimously adopted by the General Assembly of the United Nations in the autumn of 1955.

2. The Conference in plenary session debated general concepts relating to the Agency for some two weeks, and then in Committee of the Whole went through the draft Statute article by article. This consideration in Committee was completed on October 22, and on October 23 in plenary session the Conference unanimously approved the final text of the Statute which is attached as Annex I.†[109] The signing ceremony took place on October 26, on which date representatives of seventy countries were in a position to sign. Signature on behalf of other countries whose constitutional processes required some delay was expected to take place in following weeks. Signature of the Statute was subject to ratification by governments, and the Statute will come into effect when instruments of ratification have been deposited with the Government of the United States by 18 countries, of which three must be drawn from among Canada, France, the United Kingdom, the United States and the U.S.S.R. In the meantime a Preparatory Commission, consisting of the twelve together with six others (Argentina, Egypt, Indonesia, Japan, Pakistan and Peru) elected by the Conference, will carry on preliminary arrangements for the establishment of the Agency.

BACKGROUND

3. The general proposal for an International Atomic Energy Agency was put before the United Nations by President Eisenhower on December 8, 1953. The essence of that proposal was that there should be established an international agency designed to assist all countries in developing and exploiting the peaceful uses of atomic energy, to which all countries could turn for help and through which the countries able to do so would be able

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[109] Pour le texte final du Statut, voir Canada, *Recueil des Traités*, 1957, N° 20.
For the final text of the Statute, see Canada, *Treaty Series*, 1957, No. 20.

to make available their knowledge and techniques, materials and equipment with effective safeguards to prevent their diversion to any military purpose.

4. Annexed to this report are the Cabinet directive to the Canadian Delegation to the Conference (Annex II) and a list of the members of the Delegation (Annex III).† The accredited Canadian representatives were Mr. M.H. Wershof, QC, Assistant Under-Secretary of State and Legal Advisor in the Department of External Affairs, and Mr. W.J. Bennett, OBE, President of Atomic Energy of Canada Ltd. and of Eldorado Mining and Refining Ltd., with the former serving as Chief Delegate.

5. In preparatory discussions in Ottawa it had been recognized that certain aspects of the Conference would be of special importance. Points to which particular attention was given included the question of Chinese representation, the composition of the Board of Governors for the proposed Agency, the financial arrangements for the Agency and the problem of safeguards to be applied to the assistance provided by it. As it turned out, agreement was readily reached in a manner fully in accord with Canadian interests on the first two points. Consideration by the Conference of the financial arrangements for the Agency gave rise to some difficulties, for reasons to be considered in more detail later in this report, but agreement was eventually reached without a major conflict of views. The question was nevertheless of considerable importance to the Canadian Delegation, as Canadian representatives had been largely responsible for the drafting of the principal financial article of the Statute and were therefore actively involved in discussions relating to it. The problem of Agency safeguards, and their possible extension to transactions in which the Agency would not in itself be directly involved, was undoubtedly the most important, the most difficult and the most controversial question faced by the Conference. It was also, of course, a problem of special concern to Canada as a prospective major exporter of natural uranium. Both because of Canada's interest in the matter and because of its importance in the work of the Conference, it engaged more of the time and efforts of the Canadian Delegation than any other problem. The statutory provisions on this question which were eventually agreed involved certain concessions by all those countries particularly concerned, but are considered fully and effectively to provide adequate safeguards in complete accord with Canadian interests. There is no doubt that the unanimous agreement achieved on this matter must be regarded as a successful outcome to complex and difficult negotiations.

6. Canada had been actively associated with the proposal for the establishment of the Agency from the beginning, and in earlier international discussions directed to this end and particularly in the preparation of the draft statute had worked in close cooperation with the Governments of the United States and the United Kingdom as well as with the Governments of Australia, Belgium, Brazil, France, Portugal and South Africa. This group of nine like-minded countries maintained close working contact throughout the preparatory negotiations and the Conference itself. Canada was also in close contact during the preparatory period with India and the Soviet Union, and during the Conference itself with India. These two latter countries, together with Czechoslovakia, differed in their approach from the nine Western countries on a number of important points. Especially on the question of safeguards, Canada's effective working relationship with India proved of great value in helping to bridge the gap which separated the Western countries from India and the Soviet Union. Finally, while France played a very inactive part indeed in the preparatory work and in most of the Conference, the achievement of a satisfactory compromise on the problem of safeguards was the result to a substantial degree of an initiative jointly undertaken by France and Switzerland, and in this connection also the close relationship between the

Canadian Delegation and the chief French representative (who was at one time a senior member of the research staff of the Canadian atomic energy project) was of great value.

7. On this problem of safeguards the opposition to the Western point of view was led by India, with the Soviet Union supporting the Indian position but not playing an active part in the discussions. Members of the Canadian Delegation, and no doubt the chief Indian negotiators also, were very conscious in these discussions of their implications for the Canada-India Reactor Project where the arrangements to be made for the provision of the fuel elements would be directly affected by the safeguard provisions eventually adopted for the Agency. The fact that the provisions finally adopted included effective control of source materials, and were accepted by India, should be helpful in the resolution of the differences which remain unsettled in connection with this particular Indo-Canadian matter.

THE COURSE OF THE CONFERENCE

Framework of the Agency

8. Following the unanimous election of Ambassador Muniz of Brazil as President and Ambassador Winkler of Czechoslovakia as Vice President (an arrangement which had been agreed in preliminary negotiations among the principal powers concerned) the Conference in plenary session debated in some detail the general concepts underlying the Agency and the broad implications of the provisions of the draft Statute. Positions taken in these opening statements were fully in accord with expectations. The Soviet bloc, firmly supported by India, Yugoslavia and many of the Asian countries, argued at great length that the Conference would suffer from the exclusion of Communist China and that the Agency would be incomplete and not fully effective until Communist China should be admitted to membership and to a seat on the Board of Governors. India led the same group of countries in an attack upon the control provisions of the draft statute, alleging in particular that they would give the Agency far too great power to interfere in the atomic programmes and hence in the economic development of countries receiving assistance from the Agency. The argument was advanced that the imposition of unduly burden-some or offensive controls would impede or even defeat the primary purpose of the Agency by forcing the countries most in need of assistance from it to refrain from accepting such assistance. The third main theme emerging in the general debate, in the speeches of underdeveloped countries including the Latin American countries, laid heavy emphasis upon the possibilities which the Agency might afford for the provision of assistance to such countries at little or no cost to themselves. A number of representatives from a variety of countries opposed the provisions of the draft Statute concerning the composition of the Board of Governors and the relative powers to be assigned to the Board and to the General Conference, but all but the most irresponsible recognized to a greater or lesser extent the force of the argument put forward by the twelve powers that on these points a delicate balance had with great difficulty been achieved in Washington and that regardless of its merits the success of the Conference would be gravely threatened if that balance were to be disturbed.

9. When the Conference moved into Committee to examine the individual articles of the draft Statute the first main debate, and the first significant amendment, arose in connection with Article III dealing with the functions of the Agency. The general lines of debate reflected the points of view expressed in the plenary discussions of which mention has been made above. The Latin American countries pressed for a statutory provision that the Agency would establish a "World University of the Atom"; although the proposal may be revived in future, this demand was successfully resisted as far as the Statute is concerned. The important successful amendment to article III was proposed by Thailand (whose repre-

sentative, incidentally, contributed effectively to the work of the Conference in a number of intelligent and useful interventions) with the encouragement of the United States, and was designed to permit the extension of Agency safeguards not only to bilateral or multilateral transactions outside the Agency but, at the request of the country concerned, to individual national programmes. It was not seriously suggested by anyone that this provision would have immediate application, but it was generally regarded as valuable in the opportunity which it afforded for the ultimate evolution of the Agency system of safeguards into a universal system which could provide the means for contributing to or possibly even for carrying out a future general agreement on the control or elimination of atomic weapons. An amendment to Article XII, which would have achieved the same purpose, was not pressed by India following the adoption of Thailand's amendment to Article III.

10. The next main debate arose in connection with Articles V and VI, dealing respectively with the General Conference and the Board of Governors. Minor adjustments were accepted to enhance at least in form the role of the General Conference, but no change was made in the provisions of the draft Statute relating to the Board of Governors. These provisions were accepted with a readiness which is surprising when the difficulties encountered on this problem in Washington are recalled; it appeared, however, that the Conference had taken to heart the warnings of a number of representatives (including not only the Western powers but, significantly, India and the Soviet Union as well) that tampering with this matter could threaten the success of the Conference.

11. Considerable attention was given to Article XI dealing with Agency projects, but the points of significance related either to financial arrangements or to safeguards and can be better considered in connection with the articles primarily devoted to those two matters.

Safeguards

12. Article XII, setting out the provisions for safeguards, took more of the Conference's time than any other article, and ultimately represented unquestionably the major achievement of the Conference. The handling of this article was of such importance that it is discussed in greater detail in Annex IV, and it is sufficient here to indicate the general lines of the discussion.

13. The two features of the safeguards article as drafted which were attacked by those who considered them too extensive were, respectively, the requirement that controls should apply without formal distinction to both "special fissionable materials" (in practice plutonium and uranium 235) and "source materials" (natural uranium and thorium), and the assignment to the Agency of authority to control the future use of special fissionable materials produced in Agency projects.

14. Of these two points, the one which most concerned the delegations leading the opposition to the draft article was that relating to disposition of fissionable materials produced. Their original position was that the Agency should not have any authority to control such future use, although they admitted from the outset that the Agency should be in a position to control the utilization of special fissionable materials which it might supply to a country. When it became clear that there would be no agreement upon arrangements which would exclude the Agency from control of fissionable materials produced in an Agency project, India and its supporters shifted their ground somewhat. In the first place, they considered that countries concerned should have the right to determine for themselves the peaceful uses to which such products might be put. In the second place, they wished to have it clearly established in the statute that the country concerned could subsequently withdraw such materials for uses which it might determine following their initial deposit with the

Agency. On the tacit understanding that the Agency should have a consultative role in the determination of the peaceful uses to which countries would apply fissionable materials produced in Agency-assisted projects and explicit provision in that such uses would be subject to continuing Agency safeguards, the text eventually adopted met the substance of the Indian position on these points. This agreement was achieved at the last moment, after matters had reached a point where the difference in substance was not great but where political entrenchment was apparently so deep that agreement on language would involve too great a loss of face for one party or the other. This apparent deadlock was broken on the initiative of the Swiss representative, who persuaded the French representative to join him in working out and presenting a compromise text which both sides eventually found acceptable. The senior U.S. representatives at the Conference were sympathetic throughout to the efforts to reach a compromise, but encountered considerable difficulty in persuading authorities in Washington that it was worthwhile to make concessions of language on the condition that points of substance were not lost. Canadian representations to the senior U.S. authorities concerned were apparently of considerable importance in persuading them to accept this point of view.

15. Following agreement in private consultations among the delegations principally concerned on the provisions governing the use of special fissionable materials produced, attention reverted to the earlier point concerning the application of controls to source and special fissionable materials used in Agency-assisted projects. Here the Indian representative was eventually persuaded to accept the language of the draft statute subject to clarifications by Western representatives, particularly in a final statement by the Canadian Delegation, to the effect that, while the Agency must control source materials, these powers would be exercised only to the extent necessary to ensure accountability for the fissionable materials which might be produced from the source materials in question.

16. The successful acceptance by the Main Committee of these agreements was jeopardized at the last moment by an irresponsible insistence on the part of the Syrian representative that he must press to a vote a sub-amendment distinguishing between source and special fissionable materials. The Conference was temporarily thrown into some confusion and a brief adjournment called jointly by Canada and India. Following a few minutes of informal discussion with the principal delegations, we made a blunt statement that the Syrian sub-amendment was totally unacceptable to Canada and the delegations closely associated with it and if pressed would threaten the unanimous agreement which had appeared to be in sight. The Syrian representative then yielded to the Chairman's appeal not to press his sub-amendment.

17. A number of speakers paid tribute to the major contribution of the Swiss and French Delegations, and to the spirit of compromise and the genuine desire to reach agreement of the other delegations particularly concerned. Several speakers referred in particular to the helpful role played by the Canadian Delegation, and the senior Indian representative significantly mentioned Canada by name without reference to the United Kingdom or the United States. This constituted a public recognition of the fact that the Canadian Delegation had been more willing than the other two to concentrate upon substance and had used its influence with the two great powers to persuade them to give up points of wording on which they appeared to have some feeling that their prestige might suffer.

18. During the debates on controls, the Indian Delegation proposed, obviously for reasons at least in part political, that a clause might be added prohibiting provision of assistance by the Agency to any country conducting or planning an atomic weapons programme. The Indian Delegation did not press this suggestion to the point of submitting a proposed amendment, and no action was taken on it by the Conference. Governments

will no doubt wish to consider the matter further and the suggestion may become significant in connection with the different and somewhat broader problems of disarmament.

Financial Arrangements

19. The financial arrangements proposed in the draft Statute submitted to the Conference owed much to the efforts of Canadian representatives during the drafting conference in Washington. They were designed to ensure prudent and responsible financial administration on the one hand, while on the other hand providing sufficient flexibility and adequate revenues for the Agency to be able to carry out an effective programme in fulfilment of its principal objective of assisting countries to develop the peaceful uses of atomic energy. These features, and the means whereby they are to be achieved, were completely retained in substance in the Statute as adopted by the Conference.

20. The acceptance of these financial arrangements required very considerable efforts on the part of the Canadian Delegation, in the first place because Canada was regarded as their sponsor and was therefore expected by the other drafting powers to carry the main burden of their defence. The financial provisions, moreover, were subject to pressure from two sides. The Canadian Delegation played an important role in finding a moderate course between the extreme position of some delegations led by the U.S.S.R., which urged a very restrictive financial line, and the tendency of the underdeveloped countries to press for financial provisions which would have exaggerated the eleemosynary features of the Agency. The intermediate Canadian position was based on the desire to ensure that the Statute as a whole would be cast in terms which would encourage acceptance of those features, including particularly the provisions for safeguards, which are of special importance to Canada. Real acceptance of the implications of these features on the part of countries likely in the future to require uranium for their atomic programmes will be of great value in connection with the marketing of Canadian uranium. This position required careful political handling, as the U.S.S.R. manoeuvred skilfully in an attempt to present a restrictive financial position in terms designed to convince the underdeveloped countries that these restrictions were essential to the protection of their interests. It fell to the Canadian Delegation to combat this manoeuvre by demonstrating that the wording of Article XIV as drafted and as finally adopted would permit the development of a more effective and dynamic Agency programme.

21. Because the provisions of the financial article are complex, and because the pressures against them came from opposite sides, tended to cancel each other out, and permitted the adoption of the financial arrangements virtually as presented in the draft, it is not considered necessary to discuss these points in greater detail in this report. An analysis of the effects of the financial provisions and of the debates and negotiations relating to them is set out in Annex V,† prepared by the financial adviser [S. Pollock] to the Delegation.

Legal and Related Questions

22. No serious difficulties were encountered on the various articles relating to the signature, ratification or amendment of the Statute. There was, however, a debate on the article dealing with the settlement of disputes in which the real issue, somewhat obscured by confusion of language, related to the question of compulsory jurisdiction of the International Court of Justice. The Latin American bloc led its customary assault on the concept that there should be statutory provision for the compulsory submission of disputes between members to the Court. They were unable to carry their case, but the language of the Statute as drafted and as adopted did not perhaps specify as clearly as it might that such compulsory jurisdiction is in fact provided for.

CONCLUSION

23. The Statute as approved is considered to be fully in accord with Canadian interests and with the directive for the Canadian Delegation attached as Annex II. Indeed, the Conference was even more successful from the Canadian point of view than might have been hoped, in that on the point of greatest importance to Canada and of greatest difficulty in the negotiations, namely the question of safeguards, there was not only approval of provisions fully meeting Canadian requirements but there was unanimous support of these provisions. This fact will be of value extending well beyond the operations of the Agency itself and greatly facilitating specifically Canadian interests in connection with the marketing of uranium.

24. The Statute was signed on October 26, 1956 on behalf of Canada by Dr. R.A. MacKay, Mr. W.J. Bennett and Mr. M.H. Wershof. The question of its ratification now becomes a matter for consideration by the Government.

25. Following is a list of the Annexes to this Report.

Annex I — Statute of the International Atomic Energy Agency.
Annex II — The Cabinet directive to the Canadian Delegation.
Annex III — A list of the Canadian Delegation.
Annex IV — The Problem of Safeguards.
Annex V — Discussion of Financial Articles of the Statute.

26. A Supplement to this Report is being prepared, and will be available on request to recipients of the Report, containing the texts of the main statements by the Canadian Delegation.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Annexe IV

Annex IV

CONFIDENTIAL

THE PROBLEM OF SAFEGUARDS

The draft Statute presented to the Conference provided *inter alia*, that, with respect to any Agency project or other arrangement where the Agency is requested by the authorities concerned to apply safeguards, the Agency shall have the right and responsibility "to the extent relevant to the project or arrangement, to require the maintenance and production of operating records to assist in ensuring accountability for source and special fissionable materials"; and "to approve the means to be used for chemical processing of irradiated fuels and to specify disposition of any special fissionable materials recovered or produced as a by-product, and to require that such special fissionable materials be deposited with the Agency except for quantities authorized by the Agency to be retained for specified non-military uses under continuing Agency safeguards."

2. These provisions were attacked in the opening plenary debate and in the subsequent discussion in committee by a wide number of countries. Indeed, there had been reservations on these provisions entered by India and the USSR when the draft Statute was prepared in Washington. In substance the objections to these provisions focussed upon two different points. It was stated to be unnecessary and undesirable that the Agency should have the same extensive control powers in relation to source materials as it was assigned in connection with special fissionable materials, and it was argued that the authority given to

the Agency to specify disposition of fissionable products, to require their deposit with the Agency if it saw fit, and to hold a veto upon retention for non-military uses by the country in which they were produced, would permit it to interfere unduly in the economic development of states which might become economically dependent upon the use of atomic power.

3. The first significant development on this matter in the course of the Conference came when the French representative in effect dissociated himself from the other Western countries who had insisted that all of these powers were essential for the safeguards to be effective. He took the view that, as source materials were not in themselves dangerous and as it would not in practice be either necessary or possible to apply to them controls of the same degree of stringency as would be necessary for special fissionable materials, there should be a distinction in form between source materials and special fissionable materials as far as controls were concerned. Indeed, it was learned that his instructions called for him to oppose any controls on source materials, but he did not consider such an extreme position a possible one and in public statements took a position mid-way between that and the unlimited controls on source materials called for by the draft Statute. He also argued in informal discussions that it was unreasonable to require controls upon "future generations" of fissionable products of Agency-assisted projects, i.e. fissionable materials produced in a project utilizing fissionable products of an Agency-assisted project.

4. With this partial support from France, and with the outspoken approbation of the USSR, Yugoslavia and a number of Asian countries, the Indian Delegation, led by Dr. Homi Bhabha, launched a vigorous attack upon these features of the article dealing with safeguards. He was somewhat mollified when it became clear in informal negotiations that the Western countries did not in fact consider necessary as stringent controls as a literal interpretation of the passages quoted above from the draft statute would permit. It was readily agreed by Western representatives, for example, that controls upon source materials would certainly be less extensive than those applicable to special fissionable materials, would in all probability be negligible at the mining and refining stage, and indeed up to the stage where source materials had been irradiated in a reactor would probably amount to little more than a system of accounting supplemented by occasional inspection to permit verification of accounts. It was also readily accepted that within reasonable limits a country which had received Agency assistance in establishing a reactor project should have the right to decide the future peaceful use which might be made of plutonium produced therein. The most protracted and complicated negotiations took place on this latter point, since difficulties arose as soon as efforts were made to specify what significance, if any, should be attached to the concept of "reasonable limits". On the one hand, India and its supporters declared themselves unable to accept a situation in which the Agency would have any formal veto upon a peaceful programme which a recipient country might wish to undertake with the use of fissionable materials produced in an Agency-assisted project. On the other hand, technical advisers in the United States and UK Delegations were most unwilling to leave entirely to the country concerned the decision as to what peaceful use could be made of such materials.

5. In the course of negotiations the particular passage in the draft Statute (Article XII, Paragraph A-5) was subjected to many redrafts by both sides, with the two positions differing only slightly in substance and coming progressively closer on language. Because some slight difference of substance still remained, however, it had not been possible to reach agreement by the end of the week in which the Committee stage of the Conference was supposed to conclude. On Friday afternoon, October 19, after consultations with a number of the principal delegations concerned, the delegations of France and Switzerland submitted a new draft for this passage which fell mid-way between the two positions upon which

the negotiating parties had apparently frozen. The Canadian Delegation, privately encouraged to do so by senior officials of the US Delegation, stated that this new proposal deserved serious study and moved that a vote on the question be deferred until after the week-end. The vote on this article had been scheduled for October 19.

6. Over the week-end the Canadian Delegation first satisfied itself that the Franco-Swiss text with a few very minor modifications would be acceptable to Canada. It then helped to persuade the US and UK Delegations, the US readily and the UK not so readily, that they could agree. There remained, however, the important question of whether US authorities in Washington would be prepared to concur. The Chief US Delegate spoke to Mr. Dulles about the matter and also to Admiral Strauss, his deputy spoke to Under-Secretary Hoover, and on his request Mr. Bennett of the Canadian Delegation also spoke to Admiral Strauss. Mr. Bennett's representations were apparently of great effect upon Admiral Strauss as coming from a man whose experience and judgment in the field of atomic matters he highly respected. The US Delegation informed us on Sunday evening that they had received Presidential authority to conclude a compromise text based upon the Franco-Swiss draft.

7. Further consultations were required to bring into line the Delegations of the UK and certain other Western countries which were suspicious of the Franco-Swiss language. At the same time discussions were held between US and Canadian authorities with the senior Indian negotiators, following up and supplementing earlier talks between France and India. Eventually agreement was reached among all concerned except Australia to accept a slightly modified version of the Franco-Swiss text. Australia declared itself unable to accept because time had not permitted the receipt of fresh instructions, and accordingly abstained on the vote.

8. As a subsidiary element in this agreement, the Indian representatives agreed to accept the Western language concerning source materials with a minor addition designed to clarify the point that the controls on source materials would be applicable only to those used in an Agency-assisted project. This agreement depended upon clarification being provided, in the record, of the limitations which it was generally agreed would in practice apply to the use of the control powers over the source materials. By agreement among all concerned this clarification was given in a statement by the Canadian Delegation.

9. Before the votes incorporating these various agreements were taken, a final effort was necessary in order to head off an irresponsible Syrian attempt at the last moment to distinguish for control purposes between source and special fissionable materials. Having provided the explanation required by India of how controls on source materials would be applied in practice, the Canadian Delegation undertook the task of bluntly informing the Conference that to reopen this question as the Syrian sub-amendment would do would undermine the whole pattern of agreement which had been achieved.

10. There is no doubt that the Canadian contribution to these extensive and difficult negotiations was an important one. Mr. Bennett's approach to Admiral Strauss was highly significant, possibly essential, in permitting agreement to be reached. The influence of members of the Delegation in discussions with the UK, with France and with India also contributed to a considerable extent. In this connection it might be pointed out that throughout the Conference the role played by the UK Delegation was less effective and less enlightened than might have been expected; this is undoubtedly attributable at least in part to the fact that the chief UK Delegate, Sir Pierson Dixon, was almost entirely preoccupied with the Suez crisis, and the conduct of UK activities in the Conference was left to less qualified representatives. The senior representatives of the US, and in particular

Ambassador Wadsworth, made a most favourable and effective impression upon all delegations including our own; their performance, however, suffered from a lack of flexibility since they had on any change to persuade the U.S. Atomic Energy Commission, which is usually unsympathetic to an internationalist approach, that compromise on wording would not involve a concession of substance. Hence, at various stages, there tended to be a significant difference of viewpoint between Mr. Wadsworth and other State Department representatives on the one hand and Admiral Strauss and the technical advisors provided by the AEC on the other. This divergence of view is, of course, of long standing and did not arise only in connection with this Conference; it remains to be seen whether it will limit or cripple the major contribution which the US should make to the work of the Agency, a contribution upon which the Agency will very largely depend for its success.

432. DEA/14001-B-1-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], March 20, 1957

RATIFICATION OF THE STATUTE OF THE INTERNATIONAL ATOMIC ENERGY AGENCY

Mr. Howe has agreed that as a matter of urgency the Government should put itself in a position to ratify the Statute of the Agency at a time to be chosen in consultation with other friendly governments; I understand that you are therefore prepared to raise this question with your colleagues at the Cabinet meeting of Thursday, March 21. Officials of the Department of Finance are briefing Mr. Harris on the matter, impressing upon him the desirability of ensuring that Canada should be in a position to act promptly as circumstances may require. I believe you wished to have a note to refresh your memory of the issues involved.

The consistent Canadian position, re-affirmed on several occasions by Cabinet, has been that the successful establishment of the Agency will be of significant benefit to us. It should provide effective machinery for international cooperation, and if governments should so decide for international assistance, in the development of a major new industry of which the world expects great things. The Agency's programme should render more rapid and widespread the development of markets for uranium for constructive peaceful uses, a matter of direct interest to Canada as a major exporter of uranium. It is scarcely in question that the Agency should be vigorously supported and that Canada should play an active role in it.

The Statute signed last October 26 makes appropriate provision for an Agency suitable for these tasks, and for effective Canadian participation. In particular, it provides in effect that Canada should be one of the five countries designated for more or less permanent membership on the Board of Governors. This arises from the general recognition of Canada's advanced position, one might almost say "great power status", in atomic matters.

The Statute will come into effect, and the Agency into existence, when instruments of ratification are deposited by eighteen signatories provided three of these are from among the five countries referred to, namely Canada, France, the U.K., the U.S., and the U.S.S.R. The Preparatory Commission, of which Canada is a member, has set August 19, 1957, as the target date for convening the first General Conference of the Agency. Whether this target can be met is of course not yet known, but any substantial postponement would be unfortunate since it is considered that there would be great difficulties in holding the General Conference coincidentally with the General Assembly. These difficulties would be in part administrative (availability of translators, etc.), but perhaps of greater importance would be the problem for many less developed countries of providing representation in view of the fact that their only representatives experienced in the subject are in their U.N. Delegations. If the General Conference is not completed by late September, therefore, either this problem would arise or alternatively there would have to be a postponement until the spring of 1958. The latter possibility would involve a serious loss of momentum and political initiative, and either alternative would disappoint many of the countries whose good will towards the Agency it is most desirable to secure.

It is therefore important that as many western countries as possible should ratify in time for a General Conference in August or September, both to permit the early establishment of the Agency and to prevent the U.S.S.R. from dominating the Board of Governors and the first General Conference. The U.S.S.R. has already ratified, and will have little difficulty in rounding up among its friends the fifteen other ratifications necessary to bring the Statute into effect provided two from among Canada, France the U.K. and the U.S. shall have ratified. These four have agreed to maintain close consultation on timing in order to guard against this possibility, but they will not be able to delay so long that the U.S.S.R. can accuse the west of holding up the implementation of a major western political initiative. Hence it is important that all four of these countries should be in a position to act at the time of their choice, without the risk of being held up by delay on the part of one of their number.

Delay to the point where the rest decided to go ahead would be most serious, as the members of the Board of Governors must be designated by the Preparatory Commission sixty days before the General Conference, and a country must have ratified prior to that date to be eligible for designation and hence for membership on the Board. It will be necessary to ratify before the General Conference is convened in order to have a vote at that Conference.

U.S. and U.K. officials were most distressed to learn that Canada had no definite timetable for ratification. The U.S. representatives declared that the U.S. would not consider bringing the Statute into force unless Canada, the U.K. and the U.S. at least were in a position to take up their membership on the Board. They indicated that the State Department would wish to approach the Canadian Government (probably through the U.S. Ambassador in Ottawa) if Canada's situation should remain indeterminate for long. For their part they hoped for U.S. ratification by May 1, and were confident that it would be obtained no later than May 15. The U.K. expected no delay, and French representatives have indicated that they expect ratification in May or early June. Accordingly the Canadian position is of great importance. It might be added that a number of other governments are looking for early ratification by Canada; Austria, the prospective host country for the Agency headquarters, has recently formally expressed the hope that Canada will see fit to ratify promptly.

The Department of Justice has confirmed that ratification by Canada would require no new legislation or amendment of existing legislation, nor will any immediate expenditure be involved; accordingly the Government need only decide when it will act. Presumably, in view of the fact that questions have been asked in the House about the Government's intentions with regard to ratification, it would be desirable to provide a prior opportunity for expression of Parliamentary views. There appears no reason to expect that these will be controversial or extensive, and an opportunity for their expression might be provided either by the introduction of a simple resolution of approval of the Statute or alternatively by a Ministerial statement under the estimates of the Government's intention to ratify. The latter method might be simpler taking account of the crowded timetable for the Session.[110]

J. L[ÉGER]

3e Partie/Part 3

CONTRIBUTIONS AUX PROGRAMMES EXTRA-BUDGÉTAIRES DES NATIONS UNIES

CONTRIBUTIONS TO UNITED NATIONS EXTRA-BUDGETARY PROGRAMMES

433. DEA/5475-4-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], October 15, 1956

CANADIAN CONTRIBUTIONS TO UNITED NATIONS 1957 EXTRA BUDGETARY PROGRAMMES

You will recall that in the October 3 draft† of our submission to Cabinet on this subject, we recommended the following contributions (the figures in brackets are the increases over our 1956 contributions):

ETAP	$2,000,000	($200,000)	UNREF	$200,000	($75,000)
UNICEF	$ 750,000		UNRWA	$500,000	(no increase).

On October 12 we had a meeting with Finance Department officials (Mr. Plumptre and two others) to discuss this draft submission.

At that meeting Mr. Plumptre noted that Mr. Harris has no great enthusiasm for this sort of programme, though he recognizes that some increases are necessary. Mr. Plumptre then told us what Mr. Harris' reaction in Cabinet on Thursday, October 18, is likely to be, but he emphasized that the views he gave us were not necessarily binding on Mr. Harris.

(1) *ETAP and UNICEF*: Our draft submission of October 3 recommends a total increase of $300,000 for these two. Mr. Plumptre said Mr. Harris was inclined to think that a total increase of $200,000 was enough. This total could be given either to ETAP, or split up evenly with $100,000 to each one.

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[110] Lors de sa réunion du 28 mars 1957, le Cabinet a convenu de présenter au Parlement une résolution appuyant le Statut de l'Agence internationale de l'énergie atomique. La résolution a été adoptée le 12 avril 1957. Voir Canada, Chambre des Communes, *Débats*, 1957, volume III, pp. 3682-3683. L'instrument de ratification du Canada a été déposé le 29 juillet 1957.

At its meeting on March 28, 1957, Cabinet agreed to introduce a resolution into Parliament approving the Statute of the International Atomic Energy Agency. The resolution was passed on April 12, 1957. See Canada, House of Commons, *Debates*, 1957, Volume III, pp. 3513-3515. The instrument of ratification of Canada was deposited on July 29, 1957.

We have not changed our submission on these two programmes as a result of our discussions with Finance Department, and are continuing to ask for $200,000 more for ETAP and $100,000 more for UNICEF. With regard to the UNICEF increase, I think you know that Mrs. Sinclair has asked for no increase at all, but wants to be sure that we give no less than in 1956, which was $650,000. In fact, Mrs. Sinclair does not know (since she is away from the office because of illness) that you wished us to increase our contribution. We suggest, therefore, that if money has to be saved somewhere, we take the $100,000 off UNICEF rather than off UNRWA.

(2) *UNRWA*: Mr. Plumptre said that Finance Department would like us to give $400,000, that is a cut of $100,000 from the 1956 contribution. We are somewhat loath to suggest that this is the fund where we could save money. Also, it could be that the Arabs, remembering Canada's recent decision to send planes to Israel, would look on our saving $100,000 at the expense of Arab refugees as a very definite and unmistakable sign that we were on the side of Israel. We rather doubt if the saving of this much money would be worth the possible unhappy repercussions from the Arabs. Hence our suggestion, as mentioned in (1) above, is that, since UNICEF would be quite satisfied and content with no increase, that we save money there rather than in the UNRWA programme. We have therefore kept our original recommendation for a contribution of $500,000.

(3) *UNREF*: Finance Department will go along with our recommendation for $200,000 but they want to attach two conditions (a) that we strongly urge other countries to make a similar increase and (b) that we tell the High Commissioner that we will contribute at the rate of $200,000 for the last two years of his four-year (1955-58) programme and then stop. We pointed out to Finance Department that it was unlikely the problem of the hard core of camp refugees would be wound up in four years, and it was improbable that the present shortfall of over $3 million could be recouped in the last two years of the 1955-58 programme. We were able to quote from very recent figures put out by the High Commissioner's Office that if Canada were to contribute at the U.N. scale we would be giving considerably more than $200,000.

The general feeling at the end of the discussion with Finance Department was that we should increase our contribution to about $240,000 for 1957 (with the 1958 contribution at about $250,000) on the understanding that at the end of the four year (1955-58) programme, the problem would be virtually wiped out.

After thinking this problem over, much as we would like to get $240,000 in 1957 and $250,000 in 1958 for UNREF, we are rather chary of taking this windfall because we fear that there may be many thousands of refugees under the High Commissioner's mandate at the end of 1958. If there are, we might then have serious difficulty with the Department of Finance if we wanted to get a contribution for 1959. We rather think it would be better to get the smaller amount ($200,000) with some informal understanding that the matter could be re-examined near the end of 1958 to see if the problem were by then really a manageable one so that the programme could be wound up. It seems unlikely to us that the four-year (1955-58) programme will clear up the refugee problem and we do not want Finance Department to get any false impression that it will be all over by 1958. We have therefore kept to our original recommendation of a contribution of $200,000 to UNREF.

We attach, for your consideration, the October 16 draft† of our Submission to Cabinet at its meeting on October 18. We should like your views so that we can put it in final form.

J. L[ÉGER]

434. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT NO. 202-56 Ottawa, October 18, 1956

CONFIDENTIAL

CONTRIBUTIONS TO UNITED NATIONS EXTRA-BUDGETARY PROGRAMMES

This submission is concerned with Canadian participation in and contributions to the following programmes:

United Nations Expanded Programme of Technical Assistance to Under-Developed Countries (ETAP)

United Nations Children's Fund (UNICEF)

United Nations Relief and Works Agency for Palestine Refugees (UNRWA)

United Nations Expanded Programme of Technical Assistance to Under-Developed Countries (ETAP)

2. This multilateral technical assistance programme, through the provision of experts and the training of technical personnel, provides a valuable and necessary addition to other efforts being made to assist the economically less well-developed countries of the world. The programme contributes to the stock of technical knowledge available to the recipient countries, aids appreciably in promoting mutual understanding between peoples, and reflects the continuing belief of the participating countries in the value of concerted international co-operation as a means of raising the standard of life for those in the particularly needy areas. Especially in a period when proposals for establishing much larger programmes of assistance under the United Nations are more or less in suspense, and other aspects of the commercial and economic policies of some of the major western countries do not offer much encouragement to the less developed countries, ETAP provides evidence to the under-developed countries of genuine interest in their welfare. The existence of this modest but effective programme also has a restraining influence on the promoters of some of the more ambitious or less realistic economic projects in the United Nations. In the case of Canada and other members of the Colombo Plan, it supplements and helps to make effective the assistance being provided under that Plan.

3. ETAP has broad public support throughout the world. During the sixth financial period (1956), a total of 71 states pledged approximately $28,756,543 (U.S.). Canada's contribution was $1,800,000 which represented an increase of $300,000 over 1955. The United States pledged $15,500,000 if all other governments together put up an equivalent amount. We have been advised by the Chairman of the Technical Assistant Board that at least 17 countries will announce this year substantial percentage increases in their pledges to this programme; among these countries are The Netherlands, 15 per cent increase to approximately $900,000; Switzerland, 50 per cent increase to approximately $350,000; Argentina, a restoration of the dollar value of its contributions for 1956 and 1957, raising its total for these years to the peso equivalent of $360,000; Mexico and Chile, an increase from 50 to 100 per cent. Although both the United Kingdom and France previously indicated a desire to expand their assistance to the programme, it now appears likely that in view of their

present economic difficulties, which have been seriously aggravated by the Suez crisis and the Algeria situation, these two countries may not be able to go beyond their 1956 contribution. Denmark, Sweden, Norway, Brazil, and New Zealand will probably be increasing their contributions.

4. If the programme is to continue to fulfill its important purposes, it is inevitable that its requirements must increase. A study recently prepared by the Technical Assistance Board has summarized ETAP programmes since their beginning in 1950, and has given an appraisal of the changing needs and problems to be faced. It has stressed that if the gap between living standards of the less-developed lands and the more advanced countries is to be narrowed, it will be necessary to increase the existing service and broaden the scope of future operations of the programme. The study has examined these prospects in terms of "a limited advance" of a fifty million dollar programme or a "broader perspective" envisaging a scheme covering an expansion of services to a possible one hundred million dollars. An increase in U.N. technical assistance up to the lesser figure might meet the bulk of urgent and new requests within the administrative scope, at present, of the programme, while the higher figure would provide for an enlarged programme extending the range of the services of the U.N. specialized agencies. The Canadian Government has not, of course, committed itself in any way to the analysis of conclusions of the report which are to be discussed further at later meetings. However, the case made in this report for at least a significant increase in the total effort would seem to have some relevance to the appropriate size of Canada's contribution in 1957, especially as there now appears to be little prospect for early agreement on the establishment of SUNFED.

5. Canada has gained a high reputation for what it has already done for this multilateral endeavour, and a Canadian [H.L. Keenleyside] is Director-General of the U.N.T.A. Administration which looks after an important part of ETAP. Canadian spokesmen have repeatedly stressed the desirability of using United Nations machinery for providing or supervising aid to the less developed areas. We have also expressed interest in seeing a start made on at least the nucleus of an international career service for this work. It would seem appropriate that the Canadian Government should continue to occupy a prominent position in ETAP's programme, and that Canada should support it within the bounds of financial capabilities and priorities.

6. It is therefore recommended that Canada should at this time make a small increase in its contribution to ETAP from $1.8 million to $2 million (an increase of $200,000). When Cabinet approved last year's contribution, it authorized the Delegation to state that, subject to Parliamentary appropriations, support of at least the same general order of magnitude for the years 1957 and 1958 would be provided if the programme continued to be broadly supported by others. This assurance of at least a similar contribution was given so that United Nations agencies and the recipient countries could plan their programmes with more certainty and effectiveness. It is recommended that a similar commitment be given this year with respect to 1958 and 1959.

United Nations Children's Fund (UNICEF)

7. UNICEF was created in 1947. Two hundred and eighty-three (283) UNICEF-aided projects are now in operation in 95 countries and territories of Asia, Africa, the Middle East and Latin America. Countries receiving aid must equal or better the contributions allocated to them. UNICEF is regarded as a well-administered organization and its programmes are carried out effectively. There is no doubt that the Fund has done much to enhance the prestige of the United Nations.

8. In 1956 UNICEF's target budget was $20 million. As of the beginning of August 1956, 59 governments had contributed $6,441,000, and in addition the United States had pledged $9.7 million, with the proviso that the United States contribution could not exceed 57.5% of total contributions. It is expected that in the remaining months of 1956 sufficient contributions will come in to bring the total of contributing governments to over 70 and the total contributions up to at least the $7.6 million which is needed to match the United States pledge. Contributions from some other countries in 1956 were: France, $785,000; Australia, $566,000; and the USSR, $500,000.

9. The Canadian Government has contributed just over $10 million to the Fund since it began in 1947, and in addition voluntary contributions to UNICEF from private Canadian sources have amounted to more than $1.5 million.

10. For 1957, it seems likely that the Fund will set $21 million as its target budget. The United States has pledged $10 million for 1957 with the proviso that its contribution may not exceed 50% of total 1957 contributions. This will mean that other governments must give $600,000 more than was needed for matching the U.S. contribution in 1956. It is suggested that Canada's contribution to UNICEF in 1957 be increased to $750,000 (this would be $100,000 more than our last year's gift). This amount would represent about 1/14 of the United States pledge of $10 million.

United Nations Refugee Fund (UNREF)

11. Since the end of the Second World War, the number of refugees in Europe (a refugee is defined as a person who has left the country of his normal residence because of fear of persecution) has been reduced, either by emigration or re-establishment, from 2.2 million persons to approximately 300,000 persons. Most of these 300,000 refugees are in Austria, Germany, Greece and Italy. About 70,000 of them are still living miserably in refugee camps, and some of these are sick, aged or physically handicapped persons. In addition, about 14,000 refugees of European origin in China come under the High Commissioner's mandate.

12. The General Assembly of the United Nations in 1954 authorized the United Nations High Commissioner for Refugees to undertake a more comprehensive programme over a four-year period (1955-58) to achieve a permanent solution to the refugee problem, while continuing to provide some emergency aid in destitute and problem cases. The United Nations General Assembly commended this 1955-58 refugee programme, and asked governments to support it. In the last few weeks NATO has also considered the plight of refugees in Europe, and may be requesting NATO members to take an increased interest in the programme and give more aid to try to solve this festering European problem.

13. UNREF's target budget for 1956 is $4.4 million (for 1955 it was $4.2 million, and for the whole four years it is $16 million). There was a shortfall of $1.6 million in meeting the 1955 target figure and the Secretariat of UNREF managed to overcome some of this shortfall in government contributions by getting a non-governmental group in Europe to raise $1 million for refugees. (The Office of the High Commissioner for Refugees was awarded in 1955 one of the Nobel Peace Prizes.) It is expected that there will be an even greater shortfall in meeting the 1956 target budget, although the Secretariat of UNREF is again trying very hard to obtain voluntary donations from non-governmental sources.

14. Canada contributed $125,000 to UNREF in 1955 and the same amount in 1956. Pledges or contributions from some other countries were: France, $131,000; Denmark, $72,000; Belgium, $160,000; The Netherlands, $360,000; Sweden, $116,000; U.K., $280,000; U.S. $1 million.

15. In deciding on Canada's contribution for 1957, it would be appropriate to increase Canada's contribution to $200,000 because of the following reasons: (1) UNREF in 1955 began a broader and more comprehensive programme; (2) many of the refugees would like to emigrate to Canada, but are not acceptable as immigrants; since there is continuing pressure on North America to take some of these refugees (the United States deflects some of this pressure by making very large grants to the operational budget of the Intergovernmental Committee for European Migration and supporting with large amounts of money the U.S. Escapee Programme), it would be fitting, since Canada pays nothing to ICEM's operational budget, for Canada to make a larger contribution to UNREF's programme; (3) it is becoming increasingly evident that the refugee problem can only be overcome by placing more emphasis on schemes for economic integration of refugees in their present countries of residence; (a) the bulk of the refugees which are the concern of the High Commissioner are located in Europe, and therefore the main burden of financing the programme falls on western European countries, U.S.A. and Canada; (5) the High Commissioner for Refugees needs more money for emergency aid for refugees since those still living in camps are getting older, some are losing their work skills, and some their will power; and (6) the U.S.S.R. is increasing its efforts to induce refugees who become discouraged to return to their country of origin and if these efforts succeed, the U.S.S.R. will achieve an important objective for communist propaganda. When making this larger contribution to UNREF we should strongly urge other members of the United Nations as well as the non-governmental agencies which are associated with ECOSOC to increase their aid so that the High Commissioner's four-year target can be met.

United Nations Relief and Works Agency for Palestine Refugees (UNRWA)

16. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established by the United Nations in December 1949. It was intended to provide relief and temporary employment for some 950,000 Arab refugees who had fled their homes in Palestine during the hostilities following the establishment of Israel, until such time as they might exercise the choice between repatriation or resettlement with compensation. In January 1952 the Assembly approved a three-year programme of relief and rehabilitation which envisaged the expenditure of $50 million for relief and $200 million for "reintegration". However, the hope that the refugee problem could be solved in three years, through the repatriation of some, and the compensation of others, along with their integration into the economies of the areas where they had taken refuge, did not materialize. Far from being able to transfer funds from relief to rehabilitation as previously authorized, the Agency had to be empowered at the seventh and eighth Assemblies to do the contrary. And on December 4, 1954, the General Assembly of the United Nations extended the mandate of the Agency for five years, that is, up to June 30, 1960.

17. That the dimensions of the problem are not diminishing is shown by the Director's 1956-57 budget in which he makes provision for relief services for 910,000 refugees and states that the total is expected to rise by over 30,000 by the end of the period. Of the total, about half are children under 15. Of the $200 million fund for rehabilitation authorized in January 1952 (not all of which has yet been pledged) up to June 30, 1956, about $30 million had been spent, half on educational measures which had not been given so important a place in the original scheme. Large expenditures on resettlement projects have not yet been made but it is expected that during the next budgetary period over $75 million will be either spent or committed for two major projects. (The total rehabilitation budget for the period is $102 million.) In practice, the annual contributions have been used for the relief programme and the rehabilitation fund has been dwindling while the costs have enlarged. When the expected major expenditures are made, it will be desirable for Canada

as one of the important supporters of UNRWA to consider whether a contribution earmarked for rehabilitation should be made.

18. The cost of maintenance of the refugees at a subsistence level has been about $27 per capita per year. The Arab Governments who have refugees within their borders have urged that efforts be made to increase and improve all the Agency's services to the refugees. Those governments have contributed, partly in cash and partly in services and direct contributions to the refugees, substantial amounts having regard to their resources. In the year 1954-55 such contributions on the part of Egypt, Jordan, Lebanon and Syria were reported by those governments as being valued in excess of $2.5 million.

19. In the past the Canadian Government has contributed to the Palestine Refugee programmes of UNRWA and its predecessor (the United Nations Relief for Palestine Refugees) a total of $4,570,929 and for the past three years has contributed $500,000 annually. (Last year it was provided that $300,000 of the Canadian contribution should be used for the purchase of Canadian wheat. At the request of the UNRWA Director the credit was used for flour under arrangements worked out with the Department of Trade and Commerce.) Canada voted in favour of the establishment of the Agency and in favour of the extension of its mandate to 1960. Canada has been the fourth largest contributor among the non-Arab states. The other major contributors and their approximate totals are:

United States	$153.7 million ($16.7 million for 1955-56)
United Kingdom	42.5 million ($ 4.5 million for 1955-56)
France	11.5 million (511,428 for 1955-56)
Australia	1.6 million (112,500 for 1955-56)
New Zealand	1.1 million (140,000 for 1955-56)

20. At the present time, because of the administrative problems involved under a fiscal year ending June 30, the Agency proposes to change its fiscal year to correspond to the calendar year. The effect of this will be to extend the Agency's present budgetary period from twelve to eighteen months, i.e. 1 July 1956 to 31 December, 1957.

21. The refugee issue has become one of the most important political factors in the Palestine problem. The maintenance of the refugees on a reasonably satisfactory basis is an essential element in the maintenance of peace and stability in the Middle East. The final solution of the refugee problem remains bound up with such political issues as the definition of the borders of Israel and the recognition on part of the Arab States of Israel's right to existence. The refugees are reluctant to take any action which might prejudice their "right" to repatriation or compensation. However, there is some possibility that the proposal for an international loan to Israel to enable her to pay compensation may yet provide the key to a partial solution since Israel admits the obligation. Developments along these lines together with the extension of the areas of cultivable land through a more rational use of water in the Yarmuk-Jordan Valley and Sinai would enable a substantial resettlement programme to go forward. Among the considerations which impede Israel from approaching a refugee settlement separately is the fact that Israel has relatively few bargaining counters and the compensation matter is an important one. Israel may therefore be expected to make specific proposals only in return for a substantial move on the part of the Arabs. At the present there are few indications that the Arabs in the near future will be prepared to make the key concession, which is the recognition of the State of Israel, or another important conciliatory action. There is therefore little hope that the refugee problem will not be a continuing charge for some years.

22. A reasonably generous annual contribution is one of the few direct measures which Canada can take to assist in maintaining some measure of peace in the Middle East. The

cessation or even the reduction of the Canadian contribution, particularly in the present circumstances, could hardly fail to have adverse repercussions since Canada is widely regarded in that part of the world as one of the wealthier members of the international community.

23. Despite the increase in UNRWA's relief budget, it is not recommended that Canada's annual rate of contribution be raised since the main factor in the increase is an expected rise in commodity prices rather than an enlarged programme. It is suggested that Canada should continue its support of UNRWA at the annual rate followed for the past three years, i.e. $500,000, which in the event of the extension of UNRWA's budgetary period would mean $750,000, and that a suitable proportion of Canada's contribution should be in Canadian commodities, for example wheat or flour.

IT IS THEREFORE RECOMMENDED:

ETAP

(1) that authorization be given to announce the Government's intention to seek parliamentary approval for a contribution of $2 million to the United Nations Expanded Programme of Technical Assistance for 1957, and

(2) that the Canadian Government undertake, subject to the annual voting of funds by Parliament, to make a contribution of at least a similar order of magnitude to the 1958 and 1959 programmes, on the condition that the programme continues to receive the broad support of other United Nations member countries.

UNICEF

(3) that authorization be given to announce the Government's intention to seek parliamentary approval for a contribution of $750,000 to the United Nations Children's Fund for 1957;

UNREF

(4) that authorization be given to announce the Government's intention to seek parliamentary approval for a contribution of $200,000 to the United Nations Refugee Fund for 1957; and that other countries and agencies be urged to increase their assistance to UNRWA so that the High Commissioner's programme can be fulfilled.

UNRWA

(5) that authorization be given to announce the Government's intention to seek parliamentary approval for a contribution to the United Nations Relief and Works Agency for Palestine Refugees at the annual rate of $500,000 for its financial period 1956-57 ($750,000 in the event that extension to 18 months of its next fiscal period is approved);

(6) that the UNRWA authorities be encouraged to use these funds as far as possible for the procurement in Canada of commodities, for example wheat or flour, required by the Agency for its operation and

(7) that the question of a Canadian contribution to the rehabilitation programme of UNRWA be deferred.

L.B. PEARSON

435. DEA/5475-4-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

Ottawa, November 6, 1956

CANADIAN CONTRIBUTIONS TO U.N. EXTRA-BUDGETARY FUNDS

You may remember that when this was discussed in Cabinet last week [November 1] Mr. Harris read a memorandum from his officials saying that the figures in our memorandum were different from those which he had been shown by his officials, and as a result you agreed to postpone the discussion on this item.

On hearing of this incident Mr. Plumptre made enquiries as to what figures were involved; he discovered that Mr. Harris' secretary had given him in error our memorandum of *last year* on the same subject. Mr. Plumptre wanted us to know that there had been no misunderstanding on their part and that he was fully satisfied that we have not changed the figures which we had discussed with Department of Finance officials.

As you know, our submission to Cabinet was approved with only one change, i.e. UNICEF was reduced to $650,000 (the amount we gave in 1956) while we had recommended that our contribution be $750,000 for 1957.

I also attach Mr. Harris' letter† to you of November 5 in which he tells you of his regret about the misunderstanding concerning the figures at the November 3 Cabinet meeting.

J. L[ÉGER]

CHAPITRE III/CHAPTER III

ORGANISATION DU TRAITÉ DE L'ATLANTIQUE NORD
NORTH ATLANTIC TREATY ORGANIZATION

PREMIÈRE PARTIE/PART 1

AIDE MUTUELLE
MUTUAL AID

SECTION A

POLITIQUE GÉNÉRALE
GENERAL POLICY

436. PCO

Note du ministre de la Défense nationale
pour le Cabinet

Memorandum from Minister of National Defence
to Cabinet

CABINET DOCUMENT NO. 23-56 [Ottawa], February 2, 1956

SECRET

CANADIAN MUTUAL AID PROGRAMME — 1956-57

1. Cabinet approval was given on December 7, 1955,[1] to certain matters regarding future policy and the continuance of the Canadian Mutual Aid Programme, but at a reduced level, with increasing emphasis on content, which, while fitting in to the Canadian defence and production pattern, will be of important assistance to the urgent needs in Europe.

2. During the discussion, the suggested level of the 1956-57 programme emerged and provision has been made in the Department of National Defence Estimates for 1956-57 for a Mutual Aid Programme of $143 million.

3. The attached detailed programme for 1956-57 provides for:

(a) the estimated carry-over on approved items of "direct production for Mutual Aid" and, under the same category, the amount of $2,985,000 to maintain minimum production of cannon powder, flashless cordite, rifle powder, composition "B" and 3"50 empty shell;

(b) the estimated Canadian contribution for Infrastructure, Military Budgets and carry-over on the production of crypto-materiel;

(c) new items of equipment acquired since March 31, 1950, planned for transfer by the Services (in addition to certain items carried over from previous programmes), are:

Equipment Radar 501B	14
Generating Sets 18 KW	14
Carrier Half Truck MMG, 50M16	32

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[1] Voir/See Volume 21, Document 155.

Sabre V Aircraft	75
Sabre II Aircraft — Spares support for third year, plus commitment for fourth year spares	
Sundry Armament, Pyrotechnics and Photographic equipment	

4. The proposed offer of Sabre V Aircraft will include the initial range of spares, ground handling equipment, training aids, publications and technical representations.

5. Pursuant to Cabinet approval of December 7, 1955, the amounts programmed for "equipment acquired prior to March 31, 1950", for the Army $8,000,000 and Air Force $1,000,000, represent the estimated costs likely to be incurred in making this equipment available as Mutual Aid.

6. As there is considerable advantage in obtaining recommendations on allocation of equipment from the Standing Group early in the fiscal year, it is recommended that new offerings of Canadian Mutual Aid should be made at the earliest possible date, and that the programme for 1956-57 be approved on the basis referred to above and as detailed in the attached appendices.[2]

[R.O. CAMPNEY]

[PIÈCE JOINTE/ENCLOSURE]

Appendice A[3]
Appendix A[3]

SECRET

[Ottawa], February 2, 1956

MUTUAL AID PROGRAMME — 1956-57

Direct charges to Mutual Aid			
Direct Production			
Carryover on Approved Items			
Radar AA No. 4 MK6/2 — IFF System & Radar Spares		$ 125,000	
Howitzer 155 MM		1,523,000	
17 Pdr Ammunition		430,000	
Wasp Engines — Spares		125,000	
Additional Spares		1,550,000	$3,753,000
Cryptomaterial			329,000
Freight on Material to Turkey			745,000
New Programme to Maintain Facilities			
Cannon Powder	650 tons	950,000	
Rifle Powder	500 tons	1,060,000	
Flashless Cordite	275 tons	535,000	
Composition "B"	100 tons	160,000	
3"50 Empty Shell	4800	275,000	2,980,000
Infrastructure			16,396,611
Military Budgets			1,500,000
Sub-Total			25,703,611

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[2] Approuvé par le Cabinet le 2 février 1956. Pour prendre connaissance des délibérations du Cabinet sur le programme d'aide mutuelle pour 1956-1957 et la cession de 75 aéronefs de type « Sabre », voir le document 473.
Approved by Cabinet on 2 February 1956. For the Cabinet's discussion on the 1956-57 mutual aid program and on the disposition of the 75 Sabre aircraft, see Document 473.

[3] Appendice B n'est pas imprimé./Appendix B is not printed.

MUTUAL AID PROGRAMME — 1956-57

NATO Aircrew Training		53,055,000
Equipment acquired prior to Mar 31/50		
Navy	—	
Army	8,000,000	
Air Force	1,000,000	9,000,000
Equipment acquired after March 31/50		
Navy	—	
Army	11,776,000	
Air Force	43,465,389	55,241,389
		$143,000,000

Equipment acquired after March 31/50			
Army			
Carried Forward	Quantity		
Shell, 90MM AR Fuzed MTSQ		50,000	3,648,000
Plugged	80,000	3,411,200	
MTSQ Fuzes for 90MM AA Shells	50,000	1,516,000	
Shell, 60MM HE	50,000	603,500	9,178,700
New Offers			
Equipment Radar 501B	14	1,316,000	
Generating Sets 18KW	14	112,000	
Carrier Halftrack MMG .50 M16	32	1,169,300	2,597,300
			$11,776,000
RCAF			
Sabre II Spares			
Turkey and Greece — Carryover on 2nd Year			2,230,000
— 3rd Year support			2,040,000 *
Armament, Pyrotechnics and Photographic Eqpt.			102,889
Sabre V Aircraft	75		39,092,500
			$43,465,389
Navy	Nil		

* — Plus commitment 1957-58 of $3,000,000. The overall commitment for a fourth year spares is tentatively estimated at $5,000,000.

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437. PCO

Note du ministre de la Défense nationale pour le Cabinet

Memorandum from Minister of National Defence to Cabinet

CABINET DOCUMENT NO. 57-56 [Ottawa], March 6, 1956

CONFIDENTIAL

DISPOSAL BY RECIPIENT NATIONS OF EQUIPMENT RECEIVED FROM CANADA AS MUTUAL AID

1. Canada does not retain title to equipment that it transfers to members of the North Atlantic Treaty Organization as Mutual Aid. It is understood by the parties to the North Atlantic Treaty Organization that this equipment is supplied under Canadian legislation designed to increase the individual and collective capacity of NATO to resist aggression.

2. From time to time, nations which have received Mutual Aid have informed Canada that the equipment is no longer needed for their Forces and have asked Canada's advice with

respect to its disposal. Where the equipment was believed to have a continuing useful purpose within the North Atlantic Treaty Organization, Canada has suggested that the approval of the Standing Group be sought as to disposal arrangements. In other cases, Canada has agreed to the recipient nation's cannibalizing the equipment or disposing of it as scrap.

3. Canada is not in a position to police the use and disposal of equipment provided through its Mutual Aid Programme to its NATO partners. However, in view of the length of time that has elapsed from the commencement of Canada's Mutual Aid Programme and the fact that new and later types of equipment have become available in greater quantities, there are likely to be more frequent instances where equipment received from Canada as Mutual Aid is no longer needed by the recipient nation or in the North Atlantic Treaty Organization as a whole.

4. In the circumstances, it would be useful if a general statement on the subject were made in the North Atlantic Council or advice given to the individual nations who have received Canadian Mutual Aid.

5. The Defence Appropriation Act, 1950, provides that the Governor-in-Council may specify the terms and conditions, if any, that shall apply in respect of the transfer of Mutual Aid.

6. I therefore recommend that the Governor-in-Council be asked to establish terms and conditions with respect to the use and disposal of all material and supplies transferred under the Canadian Mutual Aid Programme, to provide as follows:

(a) that title to the defence equipment or supplies pass from Canada to the NATO nation to which it is transferred as Mutual Aid;

(b) that the nation receiving the defence equipment or supplies accept responsibility for use of the equipment so received to strengthen the capacity of the North Atlantic Treaty Organization to deter or resist aggression;

(c) that, when the defence equipment or supplies are no longer needed for that purpose by the receiving nation, the receiving nation be responsible for consultation with the appropriate NATO authorities to determine if this equipment or supplies are needed by any other party to the North Atlantic Treaty, and, if so, to offer them to that nation under the same terms and conditions with respect to their use and disposal as they were supplied to that nation by Canada;

(d) that, if the defence equipment or supplies are not needed by any member of the North Atlantic Treaty Organization for use in the defence of the NATO area, the receiving nation be responsible for rendering them unusable as military equipment prior to their disposal.

7. Occasions may arise where friendly nations outside the North Atlantic Treaty Organization would wish to acquire defence equipment and supplies available for disposal which would be prohibited by the above terms and conditions. It is believed that, should such a situation arise, the receiving nation would consult Canada and no reference need be made to this possibility in the general terms and conditions. If Canada were sympathetic to disposal of the material as warlike stores outside the North Atlantic Treaty Organization, it would be necessary to request the passing of an Order-in-Council to authorize an exception to the general terms and conditions.[4]

[R.O. CAMPNEY]

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[4] Approuvé par le Cabinet le 15 mars 1956./Approved by Cabinet on 15 March 1956.

438. PCO

Note du ministre de la Défense nationale pour le Cabinet

Memorandum from Minister of National Defence to Cabinet

CABINET DOCUMENT NO. 241-56 [Ottawa], December 4, 1956

SECRET

CANADIAN MUTUAL AID PROGRAMME — 1957-58

1. The Panel on the Economic Aspects of Defence Questions have examined a mutual aid programme for 1957-58 totalling $130,000,000, based on the application of the principles applied in determining the 1956-57 programme, as set out in the attached appendices.

2. The proposed programme provides for:

(a) the estimated cost of the aircrew training programme, based on the gradual reduction of trainee intake with the ending of the three-year commitment for NATO aircrew training, together with the estimated costs of training aircrew for Norway, Holland and Denmark, less the token payments that will be made by these countries for this training. No cost is included for training of German pilots as the extra costs in this connection will be met by payments from Germany;

(b) carryover on present items of direct production for mutual aid. No provision has been made for new programme;

(c) continued payment of freight on shipments to Turkey;

(d) estimated contributions for infrastructure and military budgets;

(e) equipment that can be made available from stocks of the Canadian services.

3. The Panel noted that during the examination of the Canadian Annual Review, emphasis was placed on the need by certain European countries for naval ships and high performance aircraft. Assistance of this type has therefore been included in the programme, consisting of four minesweepers, ten Bangor coastal escort vessels, twenty-five T33 aircraft and a share of the costs of CF/100 aircraft should these aircraft be sold to Belgium. Additional offerings include 90 mm AA guns together with fire control equipment and 40 mm AA guns and ammunition.

4. It is recommended that the 1957-58 Estimates should provide for expenditures not exceeding $130,000,000 on mutual aid, based on the programme outlined on the attached appendices. As there is considerable advantage in obtaining recommendations on allocation of equipment early in the year, it is also recommended that new offerings should be made at the earliest possible date.[5]

[R.O. CAMPNEY]

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[5] Approuvé par le Cabinet le 5 décembre 1956. Pour prendre connaissance de la déclaration de M. Campney au Conseil de l'Atlantique Nord à propos du programme d'aide mutuelle du Canada, voir le document 581.
Approved by Cabinet on December 5, 1956. For Campney's statement to the North Atlantic Council on Canada's mutual aid program, see Document 581.

[PIÈCE JOINTE/ENCLOSURE]

SECRET

[Ottawa], December 4, 1956

PROPOSED MUTUAL AID PROGRAMME — 1957-58

		1957-58	1956-57
Direct charges to Mutual Aid			
Direct Production			
Carryover on Approved Items			
17 Pdr ammunition	$ 450,000		
Howitzer 155 MM	425,000		
Howitzer 155 — additional spares	1,700,00		
Wasp Engines — follow on spares	200,000		
Cannon Powder	10,000		
Rifle Powder	10,000	$2,795,000	$6,733,000
Cryptomaterial — carryover		170,000	329,000
Freight on Shipments to Turkey		300,000	745,000
Infrastructure		17,000,000	16,396,611
Military Budgets		1,300,000	1,500,000
Total Direct Charges		$ 21,565,000	$ 25,703,611
NATO Aircrew Training		28,573,000	53,055,000
Equipment acquired prior to March 31, 1950			
Navy	2,067,000		
Army	5,034,000		8,000,000
Air	7,802,000	14,903,000	1,000,000
Equipment acquired after March 31, 1950			
Navy	33,813,000		
Army	13,936,000		11,776,000
Air	17,210,000	64,959,000	43,465,389
		$130,000,000	$143,000,00

SECTION B

INFRASTRUCTURE

439.

PCO

Note pour le Comité du Cabinet sur la défense
Memorandum for Cabinet Defence Committee

CABINET DEFENCE COMMITTEE DOCUMENT NO. 17-56

Ottawa, August 7, 1956

SECRET

FUTURE INFRASTRUCTURE PROGRAMMES

On December 7, 1955,[6] the Cabinet approved in principle a further three-year NATO Common Infrastructure Programme to cover the requirements for the years 1957 to 1959, inclusively.

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[6] Voir/See Volume 21, Document 157.

2. For the past few months the North Atlantic Council has had this programme under consideration. The Military Committee recommended a programme amounting to £325 millions; £265.8 millions for SACEUR and £57.2 millions for SACLANT. It was clear from the start that few countries, if any, would accept a programme of the magnitude proposed by the Military, due to:

(i) The backlog from previous programmes (£700 millions approved). Up to March 31, 1956, £300 millions had been spent and £430 millions authorized up to December 31, 1955;

(ii) The doubtful feasibility of adding further large commitments to already heavy backlog; and because

(iii) Large increases in national contributions to infrastructure could only be achieved at the expense of other military commitments of high priority.

3. After considerable discussion in the Council and a further review by the Military of their requirements, the Permanent Representatives, subject to the Reservations of the German, Italian and Norwegian Representatives, approved a four-year £225 million infrastructure programme to include £19 million for that part of the 1956 £38 million infrastructure programme in Germany not covered by that country's contribution and a contingency fund of 10%. The programme would be subject to annual review and revision as necessary in relation to its physical progress. It is expected that the German, Italian and Norwegian Representatives will withdraw their reservations and approve the programme. In telegram 1225 of August 3rd (a copy of which is enclosed) Mr. Wilgress has confirmed the size and details of the programme as approved by the Council and reports on the reservations held by Denmark, Germany and Italy.

4. The Panel on the Economic Aspects of Defence Questions had previously agreed that Mr. Wilgress could approve in principle, subject to Ministerial consideration, a three or four-year infrastructure programme of the magnitude of £225 million on the assumption that a satisfactory cost-sharing formula will be worked out.

5. The over-all programme as approved by the Council calls for a German contribution of 13.77% to the annual programmes. This would reduce Canada's share from the present 7.13% to 6.15% for each annual slice.

6. Mr. Wilgress has requested that he be informed of the Cabinet's decision on the programme approved by the Council before the Council meeting scheduled for August 14.

7. This Department is recommending to its Minister that he concur with Mr. Harris and Mr. Campney in the view that the Cabinet give favourable consideration to the four-year £225 million NATO Common Infrastructure Programme approved by the North Atlantic Council.

[PIÈCE JOINTE/ENCLOSURE]

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1225 Paris, August 3, 1956

SECRET. IMPORTANT.
Reference: Your Tel DLDL 122 Aug 2.†

FUTURE INFRASTRUCTURE PROGRAMME

We confirm that the future infrastructure programme approved by Council (subject to German, Italian and Norwegian reservations) is of the magnitude of £225 million spread over four years subject to annual review and revisions as necessary in relation to its physical progress. The £225 million will include £19 million of the £38 million 1956 German infrastructure programme and 10 percent will be set aside as a contingency fund. The German contribution to each annual slice will be 13.77 percent.

2. On the question of cost sharing, as we reported in our telegram 1206 of July 31,† we made a statement in Council that we would not contribute more to the future infrastructure programme than our present percentage proportionately reduced by the German contribution, that is 6.15 percent. The USA and the UK took the same position. As you know, the Danish representative had earlier stated that his government could only agree to contribute £4 million to the future infrastructure programme. The Italian representative reiterated his statement made previously in Council that the Italian government would not contribute more than £6 million to the future programme. Other representatives indicated in agreeing to the programme outlined in paragraph 1 above that they did so on condition that their respective rates of contribution to the future programme would not be increased relative to their present rates.

3. Council took note of all these statements on the cost-sharing formula without commitment. However we consider the point has now been made that should the discussions on cost sharing not reach a satisfactory conclusion the overall size of the programme will have to be reexamined but the fact remains that aside from the German contribution the question of the cost-sharing formula has not been decided but has been left open for future discussion which presumably will proceed on the basis of the statements outlined in paragraph 2 above.

4. Concerning the positions of the delegations mentioned in paragraph 2 of your telegram under reference, these are as follows:

(a) Denmark: They have served notice that they will not be willing to contribute more than £4 million to the future programme for the reasons outlined in our telegram 1163 of July 23.† Our USA colleagues are of the opinion that when the cost sharing discussions start Denmark is likely to prove amenable to persuasion to change their position. However, whether this is correct or not is very difficult to say.

(b) Germany: The German reservation was placed, as you assumed, pending authority from Bonn to accept the UK proposal. The German Delegation tells us that they feel that Bonn will accept the UK proposal if all other members accept it.

(c) Italy: From conversations with the Italian Delegation we gather that the Italian position is not yet clear. They maintain they can only afford a contribution of £6 million and that they would have preferred an overall total for the programme which would have made this sum of £6 million a more reasonable percentage on the part of Italy. However, the Delegation realizes the difficulty of holding out against the majority opinion for a £225 million programme and they are awaiting instructions from Rome.

(d) Norway: The Norwegian Delegation tells us that they proposed a percentage of 16 percent for Germany to increase the German percentage as much as possible towards a more reasonable figure. However, they feel that their authorities will not insist on the 16 percent and are confident that they will be able to lift their reservation.

440. DEA/50104-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DLDL 139 Ottawa, August 13, 1956

SECRET. IMMEDIATE.
Reference: Your Tel 1225 Aug 3.

FUTURE INFRASTRUCTURE PROGRAMME

Cabinet Defence Committee agreed today, August 13 that, subject to considerations mentioned below, Canadian approval be given to a £225 million pound common infrastructure programme spread over four years, including a ten percent contingency fund.

2. Considerations brought to attention of Cabinet Defence Committee were as follows:

(a) Of the 38 million pounds required for the 1956 German programme, 19 million pounds would be provided by the German government, the remaining 19 million to be included in the £225 million ceiling.

(b) The German contribution to future infrastructure programmes will be 31 millions, that is 13.77% of the annual programmes, reducing Canada's share from the present 7.13% to 6.15% for each annual slice.

(c) The above proposals leave open for future consideration the question of a cost sharing formula, except for the German contribution, and Canadian acceptance of these proposals is conditioned by the fact that Canada will not consider contributing to the future programme beyond our present percentage reduced proportionally by the German contribution.

(d) Cabinet approval will be sought on any cost sharing formula which may ultimately be recommended.

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441. DEA/50104-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1482 Paris, September 12, 1956

CONFIDENTIAL

INFRASTRUCTURE — COST-SHARING

The above subject was placed on Council agenda for this morning's meeting with the notation "oral statement by the Chairman". In introducing the subject, Lord Ismay stated that it was his intention to ask Council to consider the question of procedure. He pointed out that a new agreed formula was needed before the end of November and suggested that discussions should be initiated at once in view of possible delays and difficulties. It was his view that the simplest method of approaching the problem would be to accept the German contribution as a basis and after deducting this from the total agreed programme, to divide the balance proportionately among member countries. Following these remarks, Lord Ismay invited representatives to indicate their views as to the acceptability of this method of procedure.

2. The USA representative stated he understood the Chairman to mean that the present percentage contributions of all countries would be proportionately reduced after account had been taken of the German contribution. In agreeing to this procedure he observed that the suggestion reflected his government's position as previously stated. Representatives of the following additional countries also agreed with the proposed procedure: Portugal, Norway, Netherlands and Canada. Representatives of the following countries gave a qualified acceptance:

Luxembourg — stated that while the outcome of the proposal was not acceptable, if the majority accepted he would inform his authorities;

France — agreed to take the suggested procedure as a starting point but stated that with a smaller proportion of the future infrastructure program to be executed in France, his authorities felt a further reduction in their contribution would be equitable;

Belgium — would agree to the proposed procedure if agreed to by all.

However, in the event that the cost-sharing basis was to be rediscussed, he would ask for a review of his government's contribution relative to other Benelux countries; other representatives as follows were more negative:

Turkey — pointed out that in Slices IV(b)-VII, when twenty per cent of the infrastructure work was in his country, their contribution was 2.03 percent. In view of the fact that under future programs only fourteen percent of the work was to be done in Turkey, his government was prepared to pay 1.5 percent. However, he finally agreed to ask his authorities to consider further the proposed procedure following the Chairman's remarks pointing out that reductions granted to one member must inevitably mean that some other member's contribution would have to be increased.

Italy — in no position to accept the proposed method in the absence of instructions.

Greece — while no instructions, the representative observed his position was probably like that of Italy.

Denmark — made a statement to the effect that his government intended to ask for a revised contribution.

3. The German representative confirmed acceptance of their previously stated agreement to a contribution of £50,000,000. Following this round of statements the Norwegian representative humourously observed that if contributions were to be revised his government would no doubt consider itself one of fifteen exceptions which wanted a reduction.

4. Council agreed that representatives should report the foregoing statements of position to their governments and the Chairman stressed the fact that in the event that the proposed procedure was not accepted, it would be necessary to consider setting up some subordinate committee to develop a new formula. He stated that any such new formula would not be likely to differ greatly from the one which would result from his proposal. We would appreciate receiving any instructions or comments you may care to make before September 26 when Council will further consider the question of procedure.

[L.D.] WILGRESS

442. DEA/50104-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DLDL-305 Ottawa, October 5, 1956

CONFIDENTIAL
Reference: Your Tel 1592 Sep 26.

INFRASTRUCTURE — COST-SHARING

1. It seems clear to us that the procedure suggested by Lord Ismay is the only acceptable solution to the cost-sharing problem. The last agreement on cost-sharing was reached only after all countries agreed to compromise in the interest of the Alliance. Each country ended by accepting to pay more than what it thought was its just share, and as every country has its own particular problems we fail to see how this balance of compromise can be changed without imposing further strains on the Alliance. We feel that our position in the present balance is already stretched to the extent that it is inequitable; we would not wish to compromise any further. Moreover, it appears from your reports of the discussions in Council that if the United States contribution is revised, it will be in a downward direction. In these circumstances we believe that considerations of equity would necessitate a further reduction in our contribution. It should be made clear to the Greek, Danish, Italian and Turkish Delegation that the upsetting of the present balance would seriously compromise not only the common infrastructure programme but also add to the difficulties facing the Alliance.

2. We are of the opinion that the problems or difficulties mentioned by the four dissenting countries do not warrant re-opening the cost-sharing negotiations. Firstly, in the case of Greece we consider that a contribution of 0.87% is already below her capacity to pay relative to her European partners. In explaining the position taken by his government, the Greek representative mentioned that the proposed decrease would be temporary; since expenditures under the new programme will not commence until about two years, the present temporary period should be over by then. The Greek authorities should also bear in mind the fact that their host country charges under Slices IV(a) to VII have been alleviated by recent decisions of the Council (e.g., local utilities, diversions); should they remain adamant in their present position, it is possible that Council might be reluctant to approve the application of its decisions on local utilities, etc. to future programmes. This could prove more expensive to Greece than a difference of 0.27% in her contribution.

3. The position taken by Italy was to be expected. Indeed you will recall that in the last cost-sharing negotiations Italy finally agreed to compromise after having obtained some assurance from SHAPE that Slices V to VII would include substantial works in Italy. As a result of the new posture approved by Council the relation between total works for Italy and total Italian contributions to infrastructure has been upset. The Italian government is probably trying to re-establish this relation. We could not agree that this national consideration warrants re-opening the cost-sharing negotiations. The present Italian contribution is not only very much out of line with her user interests, but also below her capacity to pay relative to her European partners. Furthermore, under Slices III to VII total infrastructure works in Italy amount to about £80 million while total contributions by Italy to these programmes are estimated at approximately £38 million. If member countries' contribu-

tions to common infrastructure had so far been based on the geographical distribution of infrastructure works, Italy's contribution would have been considerably higher under all previous cost-sharing agreements.

4. In regard to the position taken by Denmark we realize that it stems to a large extent from the domestic political situation in that country. We believe, however, that there are important considerations offsetting this factor. Firstly, the overall Danish defence effort is small relative to that of the other countries of the Alliance. Secondly, Denmark's capacity to pay relative to her European allies does not justify the proposed reduction in her contribution. Finally, the favourable position of Denmark under Slice III more than offsets her net contributions to subsequent programmes.

5. As for Turkey, we are inclined to question the balance of payments arguments put forward by the Turkish representative. In any event the amount of foreign exchange involved is only marginal, representing a very small element in the overall balance of payments. Under Slices IV(a) to VII works in Turkey amount to about £76 million while Turkish contributions to these programmes is approximately £9 million. Because of the high U.S. and Canadian contributions, NATO common infrastructure provides Turkey with appreciable sums of dollars.[7]

SECTION C

PROGRAMME DE FORMATION DES ÉQUIPAGES D'AÉRONEFS
AIRCREW TRAINING PROGRAM

443. DEA/50030-U-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

TOP SECRET Ottawa, April 18, 1956

109TH MEETING OF CABINET DEFENCE COMMITTEE APRIL 19, 1956

ITEM III: REDUCTION OF NATO AIRCREW TRAINING

At a meeting of the Standing Group last fall, General Foulkes stated that NATO aircrew training under the Canadian Mutual Aid Programme would come to an end with the intake year 1957-58. This was substantially in line with statements made by Mr. Campney in the House of Commons on July 14, 1955, and at the NATO Ministerial Meeting last December.[8] These declarations were not based on a Cabinet decision to terminate the aircrew training programme, however, but rather on the absence of Cabinet authority at present for its continuation after 1957.

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[7] Après de longues négociations, qui se sont prolongées en 1957, le Conseil de l'Atlantique Nord a adopté une nouvelle formule, exposée en ces termes : « [a] cost sharing formula as proposed by the Secretary-General last fall based on the present formula reduced proportionately by the German contribution ». OTAN (Paris) à Ottawa, télégramme 343, 27 février 1957, MAE 50104-40.

After lengthy negotiations stretching into 1957, the North Atlantic Council adopted a "cost sharing formula as proposed by the Secretary-General last fall based on the present formula reduced proportionately by the German contribution." NATO Paris to Ottawa, Tel 343, February 27, 1957, DEA 50104-40.

[8] Voir/See Volume 21, Document 238.

2. At its meeting, the Chiefs of Staff Committee considered a draft Memorandum to Cabinet Defence Committee in which the need for funds to finance the additional regular force air defence squadrons and bases was related in part to the proposed reduction or termination of the aircrew training programme after 1957. Our departmental representative at the meeting pointed out that, while there might be valid reasons for reducing or terminating the programme, the proposal to do so was of sufficient importance to require consideration, on its merits, in a separate submission to the Cabinet Defence Committee. As a result, the attached Memorandum to Cabinet Defence Committee was prepared in the Department of National Defence.

3. The Memorandum recommends that approval in principal be given to terminating the present Canadian NATO air training scheme upon completion of the 1957-58 period. I understand that the Chairman, Chiefs of Staff, is anxious to obtain this decision now so that he may announce it at the meeting of the NATO Military Committee in Paris on April 27. General Foulkes is due to leave Ottawa for Europe on April 21.

4. The second recommendation is that approval be given to an examination with the military authorities of Norway, Denmark and The Netherlands, of arrangements to train a limited number of their aircrew in Canada after 1957.

5. I would be reluctant to recommend that you support these recommendations at this stage. In the first place, the problem has been considered only from a military standpoint. There has been no opportunity for it to be considered by an appropriate inter-departmental committee, such as the Panel on the Economic Aspects of Defence Questions, or even for adequate study of it by the interested civil departments. As I understand that officials of the Department of Finance support this view, Mr. Harris may possibly say something along these lines at the meeting.

6. In the second place, there has been no adequate exploration of the possible repercussions through our missions in the countries concerned. Without such exploration, it is difficult for this Department to judge accurately what the political effects of a reduction of the Canadian contribution to the NATO aircrew training programme might be, either on the Alliance as a whole, or on those NATO members who have been relying on Canadian facilities to give their future pilots the type of comprehensive training required by NATO standards. As regards the impact on the Alliance as a whole, it would seem to be most desirable, where possible, to adhere to the principle that major decisions affecting the Alliance should not be irrevocably taken and announced unilaterally, but that there should first be an opportunity for consultation between Members through appropriate channels. As regards the effect on individual members, it would be difficult to accept, without exploration of the political implications, the statement that only Norway, Denmark, and possibly The Netherlands, will need training facilities in Canada after 1957. It is obvious, for example, that great care should be exercised not to create unnecessary friction with Greece at this time, in view of the uncertainties of that country's position in the Alliance. (As it happens, we received last week from our Ambassador in Athens a telegram† reporting on a request by the Greek Chief of Air Staff for information on whether vacancies will be offered to Greece in the 1957-58 Canadian aircrew training programme and, if so, how many. Mr. MacDermot gave us to understand that the Chief of the Air Staff intended in future to take up all available places for NATO aircrew training offered by Canada.) The possible susceptibilities of the Turkish authorities should also be examined carefully.

7. It occurs to me that there might be some advantage in seeking from SACEUR a formal statement of his views on the most desirable future arrangements from the point of view of the Alliance as a whole, which could be referred to in discussions with the various national authorities concerned. The present memorandum includes as an appendix an estimate by SHAPE of the air training requirements after 1956, but on future arrangements for meeting these requirements it quotes only an informal report by General Gruenther, which was presumably intended for Canadian eyes only.

8. In the light of these considerations, I recommend that consideration should be given to deferring a decision on this question to enable a submission to be put forward following appropriate consideration by all departments concerned. It is possible that the conclusions of such a submission would not differ greatly from those of the present memorandum, but at least all relevant considerations, including the impact of such a decision on our relations with the countries of NATO, would have been taken into account. In addition, I think there should be consultation, through both political and military channels, with the authorities of *all* interested Governments, concerning their needs for the training of aircrew after 1957.

9. Alternatively, if it is felt that a decision should be taken now, to enable General Foulkes to make a statement to the Military Committee, I suggest that this decision should be to the effect that the NATO authorities be informed officially that the Canadian Government has decided to terminate the present aircrew training programme with the 1957-58 intake year, but that the Canadian authorities are anxious to consult with the authorities of the interested Governments, concerning their needs for the training of aircrew after 1957.

JULES LÉGER

[PIÈCE JOINTE/ENCLOSURE]

Note du ministre de la Défense nationale pour le Comité du Cabinet sur la défense

Memorandum from Minister of National Defence to Cabinet Defence Committee

TOP SECRET Ottawa, April 16, 1956

REDUCTION OF NATO AIRCREW TRAINING

Introduction

1. The NATO air training agreement, covering a three year period, ends with the intake year 1957-58. This training plan had for its aim the initial manning of the front line aircraft of the countries concerned and it would appear that this goal will be reached by 1957. Appendix "A"† indicates SHAPE's estimate of this position.

2. Canada has played a major role in this achievement and by 1957 will have trained sufficient pilots to man 80% of the operational forces assigned to SACEUR. The NATO Council has now agreed that maintenance of force goal is a national responsibility, and it would appear that aircrew training to meet attrition falls into this category.

3. This matter has been discussed informally with the Supreme Allied Commander, and General Gruenther reports as follows:

(a) "upon completion of the 1956-57 training programme, Turkey, Greece, Italy, France, Belgium, and Portugal will be manned at acceptable aircrew levels. In addition these countries have in being indigenous training programmes which are capable of replacing their aircrew attrition; and

(b) at the same time period, Norway, Denmark, and Holland will be manned at acceptable aircrew levels, but there will be a continuing requirement for replacement of attrition losses. Neither Norway nor Denmark have established indigenous training programmes. Holland possesses an indigenous training programme, but it is apparent that the aircrew production will not meet all attrition requirements. Based on the above there is a continued long range requirement for training to support attrition replacement for Norway and Denmark and for overcoming the annual deficit forecast for Holland. The approximate magnitude of these annual deficits are Norway — 80; Denmark — 60; Holland — 30.

(c) Because of the adverse weather conditions in the northern countries and the small number of students involved, it is not considered feasible to establish indigenous air training facilities in the Scandinavian countries. Such action would be disproportionately expensive for the return achieved and could only be accomplished at the expense of some other military activity of importance to the NATO defence effort. The continuance of training in North America appears to be the most satisfactory solution. Even if Canada is unable to continue the present arrangements on a reduced scale, I would recommend the continuation of training in North America on the basis of separate bilateral arrangements."

4. The Chiefs of Staff have given this entire matter careful study and consider that it would be advisable not to renew the existing Canadian NATO air training scheme on the completion of the 1957-58 period and to investigate, instead, the possibilities of making bilateral arrangements with Norway, Denmark and perhaps Holland for a limited number of students who could be fitted into the RCAF air training system without the requirement to maintain additional and special facilities for this purpose. To assist NATO countries to increase their air training self-sufficiency, consideration should also be given to the preparation of further mutual aid programmes. Such aid programmes might include the provision of Harvard trainer aircraft which will become surplus as a result of curtailment of training in Canada, and the possible provision of advanced T33 jet trainers for those countries required to operate advanced flying units.

Saving

5. The acceptance of this proposal to reduce NATO aircrew training in Canada will result in a manpower saving of about 495 officers, 1870 airmen, 580 civilians, and an annual financial saving of about $31,000,000 comprised of personnel and aircraft operating costs. These savings are urgently required to apply against the costs and manpower requirements for the RCAF in its air defence build-up in Canada.

Recommendations

6. The Chiefs of Staff recommend, and I concur, that approval in principle be given to:

(a) terminate the present Canadian NATO air training scheme upon completion of the 1957-58 period;

(b) investigate with the military authorities of Norway, Denmark and Holland arrangements to train a limited number of aircrew who can be accommodated in the RCAF air training system without involving additional facilities.

[R.O. CAMPNEY]

444. **PCO**

Extrait du procès-verbal de la réunion du Comité du Cabinet sur la défense

Extract from Minutes of Meeting of Cabinet Defence Committee

TOP SECRET [Ottawa], April 19, 1956

Present

The Prime Minister (Mr. St-Laurent), in the Chair,
The Minister of National Defence (Mr. Campney),
The Minister of Defence Production (Mr. Howe),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Finance (Mr. Harris).

The Secretary (Mr. Martin),
The Military Secretary (Captain Lucas).

The Chairman, Chiefs of Staff (General Foulkes),
The Chief of the Air Staff (Air Marshal Slemon),
The Chief of the General Staff (Lieutenant-General Graham),
The Chief of the Naval Staff (Vice Admiral DeWolf).

The Secretary to the Cabinet (Mr. Bryce),
The Deputy Minister of National Defence (Mr. Miller),
The Deputy Minister of Defence Production (Mr. Golden),
The Deputy Under-Secretary of State for External Affairs (Mr. Macdonnell),
The Assistant Deputy Minister of Finance (Mr. Deutsch),
The Assistant Deputy Minister of Finance (Mr. Plumptre).

. . .

II. ADDITIONAL REGULAR FORCE AIR DEFENCE SQUADRONS AND BASES; REDUCTION OF NATO AIRCREW TRAINING

. . .

As regards the question of NATO aircrew training, the original agreement would end with the intake year of 1957-58. However, the plan, which had as its aim the initial manning of the front-line aircraft of the countries concerned, would appear to have reached its goal by 1957. Canada would, by that time, have trained sufficient pilots to man 80% of the operational forces assigned to SACEUR. The NATO Council had agreed that maintenance of force goals was a national responsibility and it would appear that aircrew training to meet attrition fell into this category. SACEUR felt that, with the exception of a small requirement for Norway, Denmark and Holland, the other countries which had benefited from the Canadian programme were capable of replacing their aircrew attrition. The Chiefs of Staff considered it would be inadvisable to renew the existing Canadian-NATO aircrew training scheme on the completion of the 1957-58 period and thought instead that possibilities should be investigated of making other arrangements with Norway, Denmark and perhaps Holland for a limited number of students who could be fitted into the R.C.A.F. training system without the requirement for special facilities. They also felt that consideration might be given to the preparation of further mutual aid programmes to assist NATO countries to increase their air training self-sufficiency. Such programmes might include Harvard and T33 jet trainers which would become surplus as a result of curtailment of training in Canada. The proposal would result in a manpower saving of about 495 officers, 1870 airmen and 580 civilians, and an annual financial saving of about $31 million. These savings were urgently required to apply against the costs of the air defence build-up in

Canada. He recommended that the Canadian NATO air training scheme be terminated upon completion of the 1957-58 period and that investigations be made with a view to training a limited number of Norwegian, Danish and Dutch personnel in Canada without involving additional facilities.

Explanatory memoranda had been circulated.

(Minister's memoranda, April 16, 1956 — Documents D2-56 and D3-56†).

6. *The Secretary of State for External Affairs* said he had no desire to question the necessity for new squadrons in Canada but to meet the added costs by the abandonment of mutual aid aircrew training might be difficult and embarrassing. There were political considerations in the proposal which should be taken into account and he hoped that the proposal to reduce mutual aid in this manner to find some of the money for increased facilities at home would not be approved until he had further time to study the matter. This was another stage in the dilemma of balancing continental and European commitments. If we could not undertake both, it might well be that we would have to withdraw from Europe, but this should be done gradually and with the minimum political disadvantages. He would not like to see a decision to reduce NATO aircrew training taken until its implications for NATO had been fully considered. For example, the Cyprus question would probably be discussed at the next NATO Council meeting in a few days' time and at this very moment Greece had requested, through our Ambassador in Athens, a number of vacancies in the air training programme. He was not arguing against the proposition as such, but before a decision was taken he wanted to "prepare the way" with the other countries involved.

7. *During the discussion* the following points emerged:

(a) The programme had been a successful one but the job had in fact been done. Certain countries who had training facilities had reduced them while continuing to send personnel to Canada just because ours were available. Furthermore, not all the vacancies were being filled and the cost of the plan was exceedingly high. Except in the case of Norway and Denmark and, to a lesser extent, Holland, the continuation of training of aircrew for other NATO countries did not now seem necessary.

. . .

(c) If mutual aid were to be continued the programme would be much more useful if the money were spent on aircraft and equipment to be transferred abroad rather than on continuation of the aircrew training programme.

8. *The Committee* deferred decision on the proposals to provide additional Regular Air Force defence squadrons and bases and to reduce the NATO aircrew training programme pending further examination interdepartmentally of their implications and the conclusion of the NATO Ministerial Council meetings being held in Paris next month.

. . .

445. DEA/50030-U-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 585 London, May 1, 1956

TOP SECRET
Repeat NATO Paris (Information).

REDUCTION OF NATO AIR CREW TRAINING

Following for Macdonnell from Léger: After Foulkes had given background to the Heads of Missions[9] meeting of National Defence thinking on the problem (based on their memorandum to Cabinet Defence Committee of April 19) the Minister said that no doubt government would be willing to accept the recommendation to reduce air crew training but what was at issue was how best to do it so as to minimize undesirable political reactions among our allies.

2. Comment from Heads of Missions brought out that reactions would be of three main kinds:

(a) Political impact on solidarity of NATO — this was particularly an important consideration in the case of Greece at a time when its NATO ties are a matter of political controversy;

(b) Financial, particularly possible impact on foreign exchange positions in the case of United Kingdom and Turkey;

(c) Psychological in that the air crew training, particularly in the Scandinavian countries and in Holland, represented the most publicized and popular form of Canadian mutual aid.

3. In summing up the discussion the Minister emphasized that further consideration would have to be given both to the best way of putting this decision to our NATO allies and explaining it; for instance, it would have to be stressed that Canada had only reached a decision because of advice from SACEUR that air training crew requirements in Canada (apart from Norway, The Netherlands and Denmark) had been reduced and that Canadian resources involved were more required for the defence of the nuclear deterrent which was a NATO common interest. As to the way it might be presented, it might initially be put to the next meeting of the NATO Military Committee and subsequently discussed in the Atlantic Council to avoid any impression of Canada taking a unilateral decision. It might also be made clear that Canada was willing to discuss the possibility of some bilateral air crew training arrangement with any NATO country where special difficulties arose, even in addition to those countries mentioned in National Defence memorandum of April 20.

4. I suggest that these points should be given attention by divisions concerned preparatory to having the whole matter considered at meeting of the Panel on Economic Aspects of the Defence possibly next week.

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[9] Pendant qu'il se trouvait en Europe au printemps de 1956 à l'occasion de la Réunion ministérielle de l'OTAN, M. Pearson a rencontré les chefs des missions diplomatiques canadiennes.
While in Europe for the spring 1956 NATO Ministerial Meeting, Pearson met with the heads of Canadian diplomatic missions in Europe.

446. DEA/50030-U-40

Le sous-secrétaire d'État aux Affaires extérieures
au président du Comité des chefs d'état-major

Under-Secretary of State for External Affairs
to Chairman, Chiefs of Staff Committee

SECRET Ottawa, May 8, 1956

Dear General Foulkes,

I should like to refer to our talks in London about the proposed reduction in the NATO air training programme.

2. You will recall that at that time Mr. Pearson expressed the view that, if this form of Canadian mutual aid to our NATO allies is to be reduced, very careful consideration would have to be given as to the best means of putting this decision to our allies and of explaining it. In particular, the Minister thought that it should not be presented as a unilateral decision but as a result of consultation in the Military Committee and in the Council. He also expressed the view that it should be explained that this decision follows as a result of a review of air training requirements by SACEUR and is necessitated by the prior requirements of the use of Canadian resources in the defence of the nuclear deterrent located in North America which is of NATO common interest. It was further the Minister's view that we should make it clear to our allies that we are willing to consider any special case of hardship which may arise from the reduction of the air training programme and try to make provision for it within the RCAF air training programme.

3. You will recall that the Cabinet Defence Committee, when they considered this matter, postponed decision pending further examination of its implications inter-departmentally. There are of course considerable financial implications in addition to the diplomatic and political implications referred to above. For instance, it will need to be considered whether any special bilateral arrangements made for countries like Norway, Denmark and Holland would be financed out of mutual aid funds or not.

4. I propose, therefore, that this question should be considered at an early meeting of the Panel on Economic Aspects of Defence with a view to agreeing on recommendations to the Cabinet Defence Committee which would take into account the non-military as well as the military implications of this proposal. I am sending a copy of this letter to Mr. Bryce and to Mr. Taylor for their comments.

Yours sincerely,
JULES LÉGER

447. DEA/50030-U-40

Le président du Comité des chefs d'état-major
au sous-secrétaire d'État aux Affaires extérieures

Chairman, Chiefs of Staff,
to Under-Secretary of State for External Affairs

SECRET Ottawa, May 9, 1956

Dear Mr. Léger:

Thank you very much for your letter of 8 May, in which you suggest that the proposed reduction in NATO Air Training be referred to the Panel on Economic Aspects of Defence.

Following our thorough discussion with the Heads of Missions in London, at which the general impression was that, provided arrangements were made for special cases such as Norway, Denmark and Holland, the main problem as far as the NATO nations were concerned was the manner of presentation to the various countries, I had felt that the question of principle was no longer in doubt. However, as there are perhaps some aspects of this problem which might be usefully discussed, such as whether the Norwegian, Dane and Dutch participation should be charged to mutual aid, it might be advisable to have a meeting of the Panel.

I have spoken to Mr. Bryce and expressed the view that we are quite prepared to have this matter placed before the Panel provided it can be considered without undue delay. I would suffer some embarrassment if a decision is not reached within a reasonable time as you are aware that I have already talked to most of the Chiefs of Staff concerned, and particularly with the United Kingdom Chiefs, whose main concern now is getting an early decision.

Since our meeting in London, I have been giving some thought to the type of approach and it appears to me that, if and when a Government decision is reached, we should agree on a draft message to be sent to the Heads of Posts and at the same time a similar message to be sent to Mr. Wilgress so that he can fully explain this matter to the Council. It was also my purpose to arrange an early meeting of the Military Representatives in Washington so that I could discuss this matter fully with them in order to avoid any chance of a misunderstanding of either our purpose or our ultimate aim.

I have asked Mr. Bryce to arrange for an early meeting of the Panel and further suggested that the problem of mutual aid of F86's to Germany and the question of requesting additional support costs from the Germans should be discussed at the same time. I hope that you will agree to putting this question of the F86's to Germany on the agenda.

Yours sincerely,
CHARLES FOULKES

448. DEA/50030-K-40

Extrait du procès-verbal de la réunion du Comité sur les aspects économiques des questions de la défense

Extract from Minutes of Meeting of Panel on Economic Aspects of Defence Questions

TOP SECRET

Ottawa, May 14, 1956

Present

Mr. R.B. Bryce, Secretary to the Cabinet (Chairman)
Mr. K.W. Taylor, Deputy Minister of Finance
Mr. F.R. Miller, Deputy Minister of National Defence
Mr. D.A. Golden, Deputy Minister of Defence Production
General Charles Foulkes, Chairman, Chiefs of Staff
Mr. A.H. Zimmerman, Chairman, Defence Research Board
Mr. J.R. Beattie, Deputy Governor of the Bank of Canada
Mr. G. Ignatieff, Department of External Affairs
Mr. W.R. Martin, Privy Council Office (Secretary)
Mr. D.B. Dewar, Privy Council Office (Assistant-Secretary)

Also Present

Mr. A.E. Ritchie, Mr. A.R. Crépault, Mr. A.E.L. Cannon, (Department of External Affairs)
Mr. R.G. MacNeill, Mr. A.B. Hockin, (Department of Finance)
Mr. F.A. Milligan, Department of Defence Production

I. REDUCTION OF NATO AIRCREW TRAINING

1. *The Chairman* remarked that there had already been some discussion of this matter in the Cabinet Defence Committee and among officials. He invited the Chairman, Chiefs of Staff to review the situation for the Panel.

2. *The Chairman, Chiefs of Staff* said that Canada had been engaged in aircrew training for NATO since 1949. For the first few years it had been provided on an annual basis, but in 1953 the Standing Group had asked Canada to accept a three-year commitment in order to assist member countries to attain their Lisbon goals, and the Government had agreed to do so. The last training class under the three-year commitment would begin in mid-1957, and end in mid-1958. At the end of this period, three courses would be open to Canada: the training program could be continued on its present scale, it could be continued on a reduced basis, or it could be terminated except for the admission of a certain number of candidates from NATO countries with special training problems, which could be fitted into the RCAF training program. The third course seemed preferable, because the program had, under present conditions, outlived its usefulness and the money, manpower and airfields involved could be used in the creation of three new operational squadrons urgently required for the defence of the deterrent in North America. Simply reducing the scale of the NATO aircrew training scheme would not be an acceptable solution, since heavy overhead costs and the commitment of RCAF training personnel would continue, and the airfields urgently needed for operational squadrons would still be unavailable. Termination of the scheme would also obviate the difficult problem of deciding which candidates should or should not be accepted into a reduced training scheme.

3. *General Foulkes* reported that the Standing Group had been consulted, and had agreed that if there was to be a reduction in our NATO effort, that reduction should take place in the field of aircrew training. SACEUR had agreed with this view, and had indicated that all countries except Norway, Denmark and Holland had an aircrew training system that

provided them with attrition replacements. Neither Norway nor Denmark had the necessary training facilities, and it would be uneconomical for them to undertake such programs. Holland possessed an indigenous training establishment, but it was inadequate to meet her requirements for attrition replacement. SACEUR had urged that if Canada were going to terminate the NATO training program, bilateral arrangements should be made with these three countries to meet their special problems. *General Foulkes* said that the present scheme had not been designed to provide for attrition replacement, but the special problems of Norway, Denmark and Holland deserved consideration, and could be met within the regular RCAF training program.

(Document ED 1-56, Memorandum to Cabinet Defence Committee,[10] had been circulated.)

4. *The Deputy Minister of Finance* asked what the saving to Canada would be if the present program were terminated.

5. *General Foulkes* replied that in addition to the benefits that would result from the freeing for RCAF use of airfields and training personnel, the financial saving would be about $36 million, or $31 million if attrition replacement for Norway, Denmark and Holland were still provided for at Canadian expense. The present cost was about $75,000 for each candidate trained, and the overhead charges were so great that there was a loss of $20,000 per candidate for spaces which nations left unfilled at the last moment. This wastage, and that occasioned by the return of national service personnel to civilian life after they had been trained, was very serious. In order to force nations to be more selective in choosing candidates, both quantitatively and qualitatively, it might be desirable in future to charge them a part of the training cost, say $10,000 per student. This would ensure that we would get more value for our money, and would prevent nations from indulging in such practices as offering the training in Canada as prizes, as Greece wished to do. If nations were also charged for vacancies left unfilled they would be forced to make a more realistic forecast of their space requirements.

6. *Mr. Ignatieff* said that External Affairs did not question the argument that the money and manpower now committed to NATO aircrew training could be better used elsewhere. External Affairs was, however, concerned about the political implications of the proposal. The position of the Greek government in relation to NATO was, for instance, very precarious, and there was a danger that any action by another member country that Greece could consider a snub might precipitate her withdrawal from the Alliance. In addition, Canada should avoid giving the impression that she was acting unilaterally in reducing her NATO commitments, because it would weaken the argument we had been making in the Council about the importance of political consultation. Recent unilateral actions by member countries, particularly by France, had been very damaging. The importance of political consultation within the Alliance was more obvious than ever as a result of the last meeting of the Ministerial Council. At the London meeting of Canadian Heads of Mission in Europe, it had generally been agreed that the termination of aircrew training in Canada would not create any very serious difficulties in European member countries, provided that special arrangements were made for Norway, Holland and Denmark. It had been pointed out, however, that the action contemplated would have to be explained very carefully to the countries concerned. It would be necessary to stress that Canada was only transferring her effort from one sector of the common NATO effort to another, and that the decision had been taken in the light of consultations with SACEUR.

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[10] Voir la pièce jointe du document 436./See attachment to Document 436.

(Document ED 2-56†, Notes on the London Meeting of Canadian Heads of Mission in Europe, and Document ED 3-56, letters between the Under-Secretary of State for External Affairs and the Chairman, Chiefs of Staff, dated May 8 and 9, 1956, had been circulated.)

7. *General Foulkes* said that he had prepared two alternative draft messages, one of which might be used to instruct Heads of Mission on how to explain the termination by Canada of the air training scheme, if Cabinet Defence Committee approved the proposal. Alternative "A" provided for a special additional paragraph to be included in the messages to Norway, Denmark and Holland, indicating that Canada recognized the special circumstances of those countries and was willing to make bilateral arrangements with them for the training of a limited number of pilots; alternative "B" would inform all countries involved that Canada was not renewing the program, but on the advice of SACEUR, had agreed to accept a limited number of potential pilots on a repayment basis from Norway, Denmark and Holland, which had special problems, if they could be fitted into the RCAF Air Training Plant.

(Draft message to Heads of Mission regarding the Expiration of the Canadian NATO Air Training Scheme, Proposals "A" and "B" were circulated, to be Documents ED 4-56† and ED 5-56,† respectively.)

8. *In the course of further discussion*, the following main points emerged:

(a) The United Kingdom might make an attempt to be included in the list of countries requiring special consideration, because they would have to re-open training schools if they could no longer have aircrew trained in Canada. The RAF was, however, aware of, and sympathetic with, the Canadian position, and although the Treasury might object to the financial strain, it could be argued that the U.K. did not have a very strong claim to special treatment. Only a relatively small portion of the RAF was directly under NATO Command, but the U.K. was, nevertheless, sending to Canada as trainees many personnel who ultimately served in other RAF units. Furthermore, U.K. training costs were lower than those in Canada. However, the provision of some training aircraft by Canada as mutual aid might ease the U.K. position. Whatever was done for the U.K. in the way of providing special treatment should arise as a result of U.K. initiative.

(b) Of the two draft messages, alternative "B" was preferable, because it provided a clearer and franker method of explaining the proposed Canadian decision to European member governments.

(c) It would be desirable for the Canadian position to be explained simultaneously in the NATO Council, in NATO capitals and in the Military Representatives Committee in Washington, if this could be arranged.

(d) The principle of charging nations for aircrew training in Canada, in order to prevent wastage and keep the number of applicants at a minimum number required, was a good one, but Canada should be prepared to negotiate the charge downwards for countries which might be faced with hardship. Some countries had a serious dollar shortage, and for this reason it might be considered whether Canada could accept local currency.

9. *The Panel*:

(a) endorsed the proposal made to the Cabinet Defence Committee that the NATO air training scheme should not be renewed after the completion of the 1957-58 period, but that Canada should investigate with Norway, Denmark and Holland arrangements to train a limited number of aircrew who could be accommodated in the RCAF training program;

(b) agreed to suggest that in principle a charge should be made to nations for training spaces in the RCAF program;

(c) noted the desirability of explaining as well as possible these decisions and agreed that External Affairs and National Defence should prepare a message to Heads of Mission along the lines of draft alternative "B" submitted by the Chairman, Chiefs of Staff;

(d) agreed that the Secretary should prepare a report† to the Cabinet Defence Committee on the discussion of the proposal in the Panel.

. . .

449. DEA/50030-U-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM DL-887 Ottawa, June 14, 1956

SECRET. IMMEDIATE.

Repeat Washington DL-1041; Oslo DL-56; Brussels DL-90; Paris DL-555; CANAC DL-578; Copenhagen DL-32; Ankara DL-57; Athens DL-64; The Hague DL-88; Bonn DL-165; Lisbon DL-55; Rome DL-104.

REDUCTION OF NATO AIRCREW TRAINING

Following meetings of Canadian Heads of Missions in Europe held in London early last May, question of reduction of NATO aircrew training was carefully reviewed here with other departments interested. As a result of these studies Cabinet Defence Committee decided on Wednesday June 13

(a) that the three-year air training scheme for NATO pilots and navigators, which expires in March 1958, will not be renewed;

(b) that possibility of arrangements should be investigated with the military authorities of Norway, Denmark and Holland to train a limited number of aircrew who could be accommodated in the RCAF training system without involving additional facilities;

(c) that consideration would also be given to any special difficulties which might arise;

(d) that this decision will be explained simultaneously to the NATO Council, to the Standing Group in Washington and to the governments of our NATO allies.

2. To ensure uniformity in the statements of explanation to the Standing Group, to the NATO Council, and to the NATO governments, the text of a message of guidance to Heads of Mission concerned will be found in my immediately following telegram.

3. The Chairman, Chiefs of Staff is planning to deliver this message to the Military Committee (including Standing Group representatives) in Washington on Tuesday, June 19. I would therefore appreciate if you would explain, preferably between now and Tuesday, June 19 (for CANAC Paris, to the Council) (for other Missions: to the governments to which you are accredited) this decision along the lines of the message of guidance. You should inform the department when you have done so, and let us have any comments or reactions which this announcement may have given rise to.

450. DEA/50030-U-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM DL-888 Ottawa, June 14, 1956

SECRET. IMMEDIATE.

Reference: My immediately preceding telegram.

Repeat Washington DL-1042; Oslo DL-59; Brussels DL-91; Paris DL-556; CANAC DL-579; Copenhagen DL-33; Ankara DL-58; Athens DL-65; The Hague DL-89; Bonn DL-166; Lisbon DL-56; Rome DL-105.

REDUCTION OF NATO AIRCREW TRAINING

Following is text of message of guidance:

Text begins:

"Canada has been assisting the NATO nations in air training on a year-to-year basis since 1950. In 1953, on the recommendation of the Standing Group, the Canadian Government agreed to train pilots and navigators from NATO countries, at the rate of 1200 trainees per year for a three-year period commencing in 1955. The purpose of this training was to assist the NATO nations to reach their force goals and maintain their air forces until such time as national air training schemes could be set up. It is recognized that the Canadian NATO air training programme has been one of the most constructive forms of Canadian mutual aid contributions to NATO and by 1957 Canada will have trained about 2750 pilots and 2450 navigators.

2. As this commitment is nearing its terminal date under existing arrangements, the Canadian authorities have sought the advice of the Supreme Allied Commander to ascertain if sufficient pilots have been trained to man the operational forces assigned to SACEUR, bearing in mind that the force goals agreed to at Lisbon have been considerably reduced. The Supreme Allied Commander agrees that, upon the completion of the 1956-57 training programme, the NATO nations except Norway, Denmark and Holland will have sufficient pilots to man the aircraft which are available at acceptable aircrew levels, and that, in addition, most countries have in being indigenous training programmes which are capable of replacing aircrew attrition. The Canadian Government therefore believe that the purpose for which this air training scheme was set up has largely been achieved and that the stage has now been reached where the airfields, the manpower and associated facilities could be put to other and more urgent uses in the interests of NATO.

4. You should point out that it is the intention of the Canadian Government to convert the facilities now being used for NATO air training to provide some elements of three additional fighter squadrons to be established in Canada to assist in the defence of the deterrent nuclear capability located in North America. It is felt that these additional squadrons will be a considerable contribution towards the purpose of NATO in preventing war.

5. The Government realizes that the cessation of NATO air training in Canada will require other nations to augment their present air training systems and make certain adjustments to the present defence programmes, and is prepared to give consideration to assisting any NATO nation in augmenting its own facilities, either by provision of additional

training aircraft or, if it is desirable, by training of instructors or specialists required for these purposes. Further, if the timing of this proposal creates undue hardship, the Government is prepared to review any such cases.

6. In particular, while it is the intention of the Canadian Government to close down the NATO Air Training Plant as such, on the advice of the Supreme Allied Commander that it would be uneconomical for Norway and Denmark to set up special air training facilities for the limited number of pilots they require and that the limited air space available in Holland restricts air training, the Canadian Government are investigating as to whether a limited number of potential pilots from these three countries could be trained within the RCAF Air Training Plant. If it is found that there is a limited capacity available, vacancies within the range of 100 to 150 a year will be offered to these three countries on a repayment basis to cover the additional expense of accommodating these candidates in the RCAF Air Training Plant, the exact amount to be charged to be arrived at in bilateral discussions." Text ends.

SECTION D

BELGIQUE
BELGIUM

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451. DEA/12001-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Belgique

Secretary of State for External Affairs
to Ambassador in Belgium

TELEGRAM E-153 Ottawa, December 30, 1955

CONFIDENTIAL

POSSIBLE CONTRACTS FOR MAINTENANCE OF CF-100'S IN BELGIUM

Following is the text of a letter from Mr. Howe:

My dear Colleague:

Avro Aircraft Limited are currently negotiating with the Belgian Government for the sale of a quantity of CF.100 aircraft.

I would appreciate it if you would instruct our Ambassador in Belgium to communicate with the Belgian Government and to inform that Government that, in the event an agreement is concluded for the sale of the aircraft, the Canadian Government, since it feels that only one CF.100 repair and overhaul facility would be necessary in Europe, would be prepared to consider entering into an agreement with a suitable firm in Belgium to handle overhaul and repair of CF.100's being operated by the Royal Canadian Air Force in continental Europe.

If appropriate arrangements for repair and overhaul work in Belgium could be made, I would expect that some jigs, tools and fixtures could be made available by the Canadian Government for the use by the selected Belgian firm on repair and overhaul for Belgian account. I would also anticipate that plans and technical information respecting the CF.100

aircraft which are owned by the Canadian Government could be made available to the selected Belgian firm.

2. I should be grateful if you would transmit Mr. Howe's message to the Belgian Government.

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452. DEA/12001-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

TELEGRAM 33 Brussels, March 1, 1956

SECRET. IMPORTANT.
Reference: Your E153 Dec 30.

SALE OF CF-100 TO BELGIAN AIR FORCE

Following for Ignatieff: U.S. Ambassador has just informed me that he had received confirmation (AI 137 of February 16† from Air Attaché to CAS refers) that U.S. Air Force categorically refuses to release on security grounds MG2 Fire Control System to Belgian Air Force.

2. As negotiations between Avro and Belgian National Defence had blessing of Canadian authorities, I fear that collapse of said negotiations over matter of security clearance sure to have serious political repercussions. Furthermore the intimation that they are second grade members of NATO will have been so brutally borne on them that they may take the view that unless most modern aircraft is made available there is not much point in re-equipping their air force as they have been pressed to do in NATO.

3. I gathered from my talk with U.S. Ambassador that USAF are critical of Avro and/or RCAF for not making sure that clearance would be given before offering CF-100 complete with MG2 to Belgium. Be it as it may I think situation warrants high level representations through State Department and/or SHAPE to USAF. As purpose of Belgian Defence Minister's visit to Canada (he will let me know the date of his visit on March 4), is primarily to discuss or conclude purchase of CF-100, Mr. Campney, not to mention myself, in most invidious position.

4. Is there possibility of USAF releasing effective fire control system whilst withholding security clearance of some of its most sensitive component devices.

[C.P.] HÉBERT

453. DEA/12001-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET [Ottawa], March 13, 1956

PROPOSED SALE OF CF-100'S TO BELGIUM

I attach for your information a cover note from the Deputy Minister of National Defence forwarding a copy of the message which the Chief of the Air Staff has sent to his opposite number in Washington on the security problem relating to the U.S. fire control equipment in the CF100.

In this connection you should know that General Foulkes proposes to take this problem up with General Gruenther in the course of the day.[11]

J. L[ÉGER]

[PIÈCE JOINTE 1/ENCLOSURE 1]

Le sous-ministre de la Défense nationale
au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of National Defence
to Under-Secretary of State for External Affairs

SECRET Ottawa, March 8, 1956

Dear Mr. Léger,

I am attaching for your information a copy of a message despatched by the Chief of the Air Staff to the Chief of Staff, USAF, in connection with Belgian interest in procuring CF 100 aircraft.

Yours sincerely,
F.R. MILLER

[PIÈCE JOINTE 2/ENCLOSURE 2]

Le chef d'état-major aérien
au chef d'état-major des Forces aériennes des États-Unis

Chief of Air Staff
to Chief of Staff of United States Air Force

SECRET

1. As a result of AVRoe Canada campaign to sell CF100 aircraft to NATO countries you perhaps know that there have been protracted discussions between USAF-RCAF Staffs on the problem of releasing MG2 fire control system in CF100 AW fighter to friendly foreign governments — particularly the Belgians. I understand the present position to be:

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[11] Note marginale /:Marginal Note:
I find this all very disturbing. L.B. P[earson]

(a) On military security grounds you do not wish to release the MG2 in its present form at the present time.

(b) You may reconsider the matter after the current Eglin evaluation of CF100 MkIV is completed.

(c) You are willing to make available another "Suitable fire control system" for installation in the CF100 or alternatively you are willing for your staff to discuss with our technical officers and the Hughes Company the possible modification of the present MG2 to make it "suitable" for release to Belgians.

(d) You had no objection (subject to certain specified restrictions) to the short operational assessment of the CF100 with its MG2 system made recently in Canada by a Belgian Air Force team of four officers.

2. I would like to assure you of the desire and intent of the RCAF to support fully your military security restrictions and we have been particularly careful during the Belgian visit not to discuss or demonstrate any of the sensitive features of the MG2 system.

3. I would have preferred to let the matter rest until completion of the Eglin Field evaluation of CF100 now in progress but I am now informed that USA authorities require the Belgians to decide and made a firm proposal to purchase CF100 AW fighters by end of March if they are to be assisted in the matter by US MDAP funds. Naturally the Belgians do not wish to make a firm commitment without knowing definitely what fire control system they would get.

4. SHAPE pressed us hard to provide CF100s squadrons for RCAF Air Division Europe and I had hoped that by now you might have some preliminary report from USAF Eglin Field evaluation which would confirm the view that the contribution to all weather air defence which the CF100 will be able to make to West Europe is well worthwhile. Against the higher speed threats, however, this contribution depends on the collision course capability. The fact that the MG2 has such a capability has been published in *Aviation Magazine Interavia* Dec 55 *Popular Science* Dec 55 and *Canadian Aviation* Mar 56. Consequently this is common knowledge to the Belgians and others.

5. CF100 aircraft could be made available to the Belgians from Canadian production about the same time that our four squadrons in Europe are to be re-equipped with the CF100 — that is Jan to Aug 1957 — so that the fire control system would be in use in Europe from that time or in any event.

6. My technical advisors state that the MG2 can have its advanced ECM refinements readily removed by substituting the old fixed frequency transmitter-receiver for the new tunable magnetron and substituting the old electrical synchronizer for the new common synchronizer now in use. Would you be prepared to release such a modified or "sanitized" version of the MG2 for the particular purpose of providing the Belgian Air Force with CF100 all weather aircraft if you are still not prepared to release the MG2 in its present form. Understand they want about sixty aircraft.

7. If this proposal to sanitize MG2 in your opinion is not adequate may my staff accept USAF offer to meet with your staff and the Hughes Company to determine what would be practical and acceptable.

8. Apart from military considerations, this added production by AVRO and Orenda Engine Co. will greatly assist to support their facilities during the difficult changeover period from current type to our new supersonic CF105 and its PS13 engine which are of direct concern to North American defence.

9. Our position is delicate because of Belgian pressure and because for the reasons stated in paragraphs four, five and eight we would not be averse to the CF100 going to Belgians. The AVRoe Company has been aggressive in its attempts to sell and to this end I understand they have had discussions with USAF authorities. As a result AVRO has led the Belgians to believe that security obstacles could be resolved if they made a firm commitment. At no time however has the RCAF given the company any assurances whatever beyond the official view expressed by USAF to our Mission in Washington. We made it clear to the Belgians that although we would facilitate their evaluation of the CF100 within the limits of specified security restrictions nevertheless the financing and any relevant details of any transaction which the Belgians contemplate making for the procurement of CF100 aircraft from Canadian sources is clearly a matter which the Belgians must work out with the USA authorities. The various factors which I have outlined together with the impact of your decision concerning the release of a fire control system makes it appropriate for the decision to be announced to the Belgians by you and not by us.

10. Mr. Spinoy the Belgian Foreign Minister is coming to Canada early this month and will raise the CF100 situation with Canadian Government. We understand from Canadian Embassy in Belgium that collapse of negotiations for procurement of CF100 over matter of security clearance would likely have political repercussions and might lead Belgians to feel that they are rated as second grade members of NATO and unless most modern all weather fighter is made available to them there is not much point in their providing an all weather element in their air force as they have been pressed to do in NATO. Therefore I urgently require your suggestions as to how we should conclude this problem and in the event that you decide against making the MG2 system or a sanitized version of it available to the Belgians, whether you will undertake to acquaint them with your decision.

C.R. SLEMON

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454. DEA/12001-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

TELEGRAM 41 Brussels, March 15, 1956

CONFIDENTIAL
Reference: My Tel 33 March 1.

SALE OF CF-100 TO BELGIUM

Following for Ignatieff: Substantive part of letter just received from Minister of National Defence follows:

"À l'occasion de leur visite aux installations de la firme AVRO Aircraft à Toronto les officers de la force aérienne belge ont été particulièrement impressionnés par le développement de l'industrie aéronautique canadienne et par ses belles réalisations. L'avion de chasse tous temps CF-100 Mark 5, qu'ils ont eu l'occasion d'examiner et d'essayer en vol, leur a laissé une impression favorable par ses qualités mécaniques et techniques mais surtout par son remarquable système de contrôle de feu.

Le gouvernement belge a reçu de la firme AVRO Aircraft une offre pour la fourniture d'avions de chasse tous temps du type CF-100 Mark 5. Mais avant de pouvoir prendre cette offre en considération il faudrait que la Belgique soit assurée qu'au cas d'un marché éventuel l'avion qui lui serait livré sera muni du même équipement électronique que le type qui a été expérimenté par ses délégués lors de leur visite à Toronto.

Pour des raisons qui sont en dehors de sa compétence la firme AVRO ne peut pas donner cette assurance. C'est pourquoi Monsieur l'Ambassadeur il me serait extrêmement agréable d'en obtenir la confirmation par le Gouvernement du Canada.

En ce qui concerne plus spécialement l'armement du CF-100, il est actuellement envisagé d'équiper cet avion avec des projectiles guides air-air, ce qui augmentera encore dans une large mesure l'efficacité de cet avion de chasse. Si le choix de la Belgique s'orientait vers l'adoption du CF-100 Mark 5 pour ses unités de chasse tous temps, l'assurance peut-elle être donné que les CF-100 de la force aérienne belge seront admis, au moment voulu, à bénéficier de ce perfectionnement?" (Text ends).

2. At dinner March 8 Minister told me that he had decided to recommend to his government purchase of CF-100 on condition that it could be obtained complete with MG2 mounted. He added that he would confirm this in writing early this week.

3. On March 11 however Minister was informed by USA Ambassador that the termination date of MDAP offer to help in financing re-equipment of Belgian Air Force had been extended from Mar 31 to May 31 to permit evaluation of Javelin and Vautour. This extension I am sure is at the bottom of change in his approach. From having said on March 8: "We are prepared to buy if MG2 released", he wrote on the 14th: "If we decide to buy would MG2 be released?"

4. I have kept my USA colleague informed of developments in this matter. He told me that he in turn has reported back fully to State Department on course of negotiations. He has also pointed out to the State Department that in his view there would be political repercussions if release of MG2 to Belgium were refused. (See paragraph 2 of my telegram under reference).

[C.P.] HÉBERT

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455. DEA/12001-40

Note du président du Comité des chefs d'état-major pour le ministre de la Défense nationale

Memorandum from Chairman, Chiefs of Staff, to Minister of National Defence

SECRET Ottawa, March 21, 1956

CF100'S FOR BELGIUM

1. You will recall that I discussed with General Gruenther the provision of CF100's for Belgium and the security difficulties which were being encountered with the USAF, and that I left with General Gruenther an aide mémoire† outlining our position, in which we recommended that the USAF should:

(a) agree to release the MG-2 fire control system; or

(b) agree to a sanitized version of the MG-2.

2. General Gruenther was very surprised to hear about this matter and he agreed that he would get in touch with General Norstad, who was to arrive in Washington on Thursday, 15 March, and ask General Norstad to immediately get in touch with the USAF on this subject.

3. On 19 March the Chief of Air Staff brought in a copy of a telegram† dated 17 March, which he had just received from the Pentagon (copy attached). You will note from this telegram that the U.S. position has hardened considerably and they will not agree to release the MG-2 system to any nation not directly concerned with the defence of North America, although previously they had stated that they were prepared to release this MG-2 equipment to the United Kingdom. You will further observe that they are not prepared to accept our suggestion of a sanitized version of the MG-2 and do not appear to be very enthusiastic about working out an alternative fire control system.

4. As a result of this telegram I called General Gruenther in Washington yesterday morning (20 March) and acquainted him with the situation. He informed me that he had had a word with General Norstad in Washington on Friday and that General Norstad was going into the matter very thoroughly and he hoped to see him in the afternoon, and he would also visit the Pentagon and discuss this subject with the officers concerned.

5. General Gruenther called at 1700 hours yesterday and informed me that he had gone into the matter very thoroughly with the USAF and that he regretted to say that the position outlined in the attached telegram should be considered as a final decision. He pointed out that the officers with whom he had been talking considered that we in Canada agreed with the security aspect of this problem. I pointed out that as this fire control system was a U.S. development we of course would have to be satisfied with the U.S. assessment of the security, and that our concern was more one of the effect such a turn-down would have on Belgium and on the smaller nations in NATO, and we were a bit disappointed that the USAF had allowed us to go so far, including their agreement to a Belgian team coming to Canada to assess the CF100. While Gruenther did not say so in so many words, I gathered from his conversation that the U.S. security authorities had not expected this deal to go as far as it has, and did not really expect that the security aspect would have to be faced. The USAF have suggested that the Canadian Government should inform the Belgian Government. I suggested to General Gruenther that we would quite likely pass this "hot potato" back to the U.S. Government for them to turn the Belgians down.

6. I am informing External Affairs, as I understand Mr. Pearson wishes to have a full record of this matter in his brief in case it arises during his visit to White Sulphur Springs. I am also suggesting to External that they should notify Mr. Hébert in Brussels so that, should Mr. Spinoy suggest coming to Canada, our Ambassador could inform him of the difficulties, emphasizing that of course the RCAF will be only too ready to try to work out with the USAF and the Hughes Company an alternative if this is satisfactory to the Governments.

7. I am also informing the Department of Defence Production because of Mr. Howe's interest in this problem.

CHARLES FOULKES

456. DEA/12001-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], March 23, 1956

PROPOSED SALE OF CF-100 AIRCRAFT TO BELGIUM

I attach a copy of the message from the CAS to the United States CAS which was originally referred to you under my memorandum of March 13. I also attach a copy of General Foulkes' memorandum of March 21 for Mr. Campney, which reports further developments on this disturbing matter and covers a reply from the U.S. Chief of Air Staff to A/M Slemon's message. Finally, I attach for convenience of reference copies of telegrams No. 33 of March 1 and No. 41 of March 15 from our Ambassador in Brussels. The latter telegram gives the text of a letter received from the Belgian Defence Minister.

2. From these various documents the points set out below emerge clearly:

(a) The Belgians would be interested in buying CF-100s, but only if they are equipped with the MG-2 or an equivalent fire control system.

(b) There is little or no hope, following the failure of A/M Slemon's and General Gruenther's attempts, of persuading the U.S. military authorities to abandon their firm objection on security grounds to releasing such fire control equipment to the Belgians.

(c) The Belgians have been allowed to believe that this equipment would be available to them if they decided to purchase, since the USAF agreed to having a Belgian technical team visit Canada to assess the aircraft as equipped with the MG-2 system.

(d) The USAF does not appear prepared to accept the responsibility of informing the Belgians of their position.

(e) That position, resting on the thesis that the equipment is so sensitive an element in the defence of North America that it should not come into the hands of those not directly engaged in North American defence, is difficult to defend when all concerned are aware that Canadian CF-100 squadrons with that equipment will be operating in Europe in a role not very different from that of the Belgian Air Force.

3. This difficult position is one which you may wish to discuss with Mr. Dulles (and you might wish to show him, or give him, copies of the CAS to CAS messages). You might refer to the tendency apparent in NATO recently for the smaller European countries to feel that they were being left out on current technical and military developments, a tendency which NATO's recent multilateral defence discussions were in large part designed to overcome. The implication that Belgium is a second class member of NATO will be a bitter pill not only for the Belgians but for other NATO countries, which will undoubtedly learn of the matter in no time. The political consequences for NATO of this case will inevitably be most harmful.

4. It is unlikely that it will be possible to persuade Mr. Dulles to seek to overcome the objections of the USAF to releasing this equipment, although it is probably worth trying. I would suggest, however, that you concentrate your efforts on persuading him that it is in the United States' interest to inform the Belgians themselves of their position, and to explain the reasons for it. In a matter which will undoubtedly damage political relations between Belgium and the United States in any case, it would seem very strange to the

Belgians if the United States were so apparently indifferent as to leave the explanation to a third party — which on this particular problem is all we are.

5. In the meantime we have warned the Ambassador in Brussels to be very cautious in this matter, and propose to take no further action (despite General Foulkes' suggestion) until we receive further instructions from you.[12]

R.M. M[ACDONNELL]
for Under-Secretary of State
for External Affairs

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457. DEA/12001-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 588 London, May 1, 1956

SECRET
Repeat Washington, Brussels, NATO Paris.

PROPOSED SALE OF CF100 TO BELGIUM

Following is text of message sent by Chairman, Canadian Chiefs of Staff, to Deputy Minister National Defence after discussion with the Minister and Hébert. Begins:

Mr. Pearson and Mr. Hébert are concerned regarding CF-100 deal with the Belgians. Mr. Hébert has been informed that a team from AVRO are about to arrive in Brussels in a few days with new proposals re CF-100's. Mr. Pearson and I agreed today that no new proposals should be made to the Belgians which are not in line with the latest US views on security. We consider that it would only cause serious embarrassment if new proposals are made by the company which do not carry the judgement of the USAF. Suggest that you or Slemon should have a word with the company and urge that a clarification of the security position should be secured before any further negotiations are made by the company. I suggest that Slemon should forward to Wurtele in Brussels the details and implications of the compromise fire control system which has been worked out between the US, Canada and the Hughes Company so that he can discuss this with the Belgian technical authorities. I have suggested that no further negotiations should go forward pending the solution of the fire control problem. Mr. Pearson agrees that any further negotiations by AVRO would create serious complications.

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[12] La note suivante, écrite à la main, était jointe à ce document./The following hand-written note was attached to this document:

> Mr Ritchie: Mr. Pearson spoke to Mr Dulles about this at White Sulphur Springs. Mr. Dulles had never heard about it and was very upset at the Pentagon's attitude. He could not understand a situation in which those who were providing fighter cover for the U.S. forces would not have the best equipment. He wants to take it up with the President. I understand that the matter is being looked into in Washington. J.W. Holmes

Pour obtenir le compte rendu de la conversation de M. Pearson avec M. Dulles sur ce sujet, voir le volume 23, chapitre premier, 1$^{\text{ière}}$ partie.
For the record of Pearson's conversation with Dulles on this subject, see Volume 23, Chapter 1, Part 1.

2. I carefully explained to the Chief of Staff of the Belgian Air Force the reasons for the security difficulties and this is fully appreciated on the service level. They are fully aware that we cannot press the US to release US security matters.

3. From my discussions in Paris and here I have the impression that the Belgians might buy CF-100 aircraft without the fire control system in the hope that this will be provided at a later date if there was some compensating financial gain. Consideration should be given to this type of problem as a mutual aid item. It seems to me to make more sense to help somebody that wants to help themselves than some of the things we are now doing. This would also help us with the difficulties we may get into with AVRO in the next few months.

4. Will you inform the Minister and the CAS. No other problems as yet.

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458. DEA/12001-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

TELEGRAM 107 Brussels, June 15, 1956

SECRET. IMPORTANT.
Reference: Your Tel 68 May 11.†
Repeat NATO Paris 11 (Information).

POSSIBLE SALE OF CF100 TO BELGIUM

At his request I called on the Minister of National Defence, Mr. Spinoy, yesterday. This was in accordance with a promise which he gave when I called on him with Morley on March 23 that he would see me before making a decision regarding choice of all-weather fighter for the Belgian Air Force.

2. He began by telling me that his advisors could not recommend the purchase of the MG4-equipped CF100. However, since the French had asked for additional time to draw up a proposal in connection with their bid to sell the Vautour to the Belgian Air Force he had decided to postpone announcement of the final choice until mid-July.

3. He then turned to a consideration of the damage that the NATO cause in Belgium might suffer as a result of the USAF decision to withhold MG2 from Belgian Air Force. He maintained further that when this refusal became known — and he could see no way of avoiding an ultimate disclosure — the knowledge that Belgium had been the object of discriminatory treatment would have a serious effect on the attitude of other European members of NATO towards the Alliance. It would be impossible for them to escape the conclusion which is being forced on Belgium that there are two classes of NATO members.

4. An announcement that the Belgian Air Force had selected another type of aircraft — the Javelin or Vautour — would not let him off the hook. Belgian parliamentarians, as we have already reported to you, are alive to the problem of re-equipping the Belgian Air Force and, Mr. Spinoy told me, some opposition members are very well informed about available all-weather aircraft and the equipment with which they are provided. (The merits of the MG2-equipped CF100 were widely advertised in the daily press). Consequently, no matter what choice of aircraft is announced Spinoy will have to face a barrage of

penetrating questions regarding the types of aircraft considered. During any such questioning it will be quite impossible to be evasive. To reply for example that MG2 was so sensitive that it had to be reserved for the defence of North America would be too transparent a dodge since the opposition members specializing in defence matters are sure to know sooner or later that RCAF CF100's in Europe were equipped with this device.

5. He concluded by asking me once more to submit his views to you because he feels strongly about this unhappy situation. I have no doubt in my mind that these representations were made to me after the matter had been discussed in Cabinet.

6. In discussion which followed I had to admit that his misgivings had already occurred to me and been reported to you. As his concern was centered on discrimination between air forces operating on the continent I enquired if the equipping of RCAF CF100 squadrons in Europe with MG4 instead of with MG2 would remove the sting of discrimination and with it the embarrassment to his government. While he did not admit it in so many words he gave me the impression that he was gratified at hearing the idea expounded by me in this form. It has obviously been on his mind for some time and I am inclined to think that it may even have been considered at Cabinet level.

7. Having regard to the new responsibilities you have assumed in respect of NATO and to the Canadian Government's desire to strengthen the bonds of the North Atlantic Alliance might I urge that this problem be re-examined. It is conceivable that the political benefits of an act of self-denial on our part might outweigh a certain diminution of the operational effectiveness of the Canadian CF100's in Europe.

8. In spite of what Mr. Spinoy told me about his advisors' recommendation (see para 2 above), I believe that if we could offer the Belgians an aircraft identical to the one we are providing to our own squadrons he would choose it in preference to either the Vautour or Javelin. I am convinced that for him and probably for Cabinet it is very much a question of saving face.

9. When I was about to take my leave he said that he would be grateful if I could let him know before Friday June 22 whether you were prepared to have another look at this problem.

10. As probably a wild suggestion, if the USAF remain adamant, could not the RCAF equip the CF100's in Europe with MG4 while holding in readiness in situ MG2 devices which I am informed can be substituted for the MG4 in a matter of an hour or so. Furthermore as General Foulkes suggested to me in London last month it is not inconceivable that the MG2 might be downgraded in a year or so. In that event the Belgians could be informed that the MG2 was at last available to them as well as to the RCAF in Europe.

[C.P.] HÉBERT

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459. DEA/12001-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 961 Paris, June 21, 1956

SECRET. IMMEDIATE.
Reference: Brussels Tel 107 Jun 15, to External and External Tel E927 to London.†

Repeat London, Washington (Information).

POSSIBLE SALE OF CF100'S TO BELGIUM

I do not think that the suggestion made by the Ambassador is a practicable one as it involves giving less than the best possible equipment which we possess to the RCAF in Europe. Politically this would be impossible to defend in Canada. Nevertheless, I have great sympathy with the Belgian position in this matter. I think that we should make it quite clear to the State Department in Washington that the responsibility for any effect which the U.S. decision on this matter may have on NATO cooperation and unity lies in Washington and not in Ottawa. The Belgian position, which apparently will have to be made public, seems to me to be an entirely defensible one, namely that they cannot accept an aircraft with inferior equipment as part of a NATO force which would include other planes of the same type but with superior equipment, and carrying out the same responsibilities. These responsibilities, incidentally, in the case of trouble, would presumably include the protection of the ground troops of the country which refuses to allow the MG2 to be used in Belgian planes for that purpose.

L.B. PEARSON

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460. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], October 18, 1956

Present

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Secretary of State (Mr. Pinard).
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

. . .

CF-100 AIRCRAFT; POSSIBLE SALE TO BELGIUM

27. *The Minister of National Defence* reported that the A.V. Roe Company had, for some time, been trying to arrange a sale of 72 CF-100 aircraft to Belgium. This would be an offshore purchase transaction involving the use of U.S. funds. The sale had been delayed because the fire control system in the CF-100 was installed under U.S. license and the United States, for security reasons, had so far refused to allow the system in other than the U.S. and the Canadian air forces. The U.S. had now decided to release this equipment

which would mean that, not only would AVRO be in a position to sell CF-100's equipped with the system, but that U.S. aircraft companies manufacturing a comparable type of aircraft, the F-89, would also be keenly interested in the proposed sale. The F-89 costs slightly less than the CF 100 and it was probable that the Belgians, even though they had been negotiating with AVRO, might buy in the U.S. unless some inducement was offered to purchase in Canada. This might take the form of an offer to provide the first year's spare parts, including engines, as mutual aid. The cost would be approximately $12.5 million. If life-time spares were considered, the cost would be $17.5 million.

The U.S. Secretary for Air, with whom he had discussed the matter and who was being most helpful, quite understandably had to extend the release of the fire control equipment to aircraft manufactured in the U.S. as well as in Canada. Mr. Quarles thought, however, that he might be able to explain a Belgian purchase of CF-100's to American manufacturers by pointing to the fact that the Canadian government was providing an element of mutual aid and that the whole transaction was thus a three way U.S.-Belgian-Canadian co-operative effort.

The Minister had also discussed the question with the Minister of Defence Production who was in favour of providing some concessions though he felt they should not be too attractive. It had to be kept in mind that if a sale in the manner proposed were made, other countries in N.A.T.O. might also request similar treatment for the purchase of aircraft here.

28. *During the discussion* the following points emerged:

(a) Even though the mutual aid appropriation had been reduced it was going to be difficult to find projects eligible for assistance this year. There was not much equipment in stock available for the purpose and new offerings would have to come from current production.

(b) It was unlikely that other countries would be able to make similar arrangements, particularly as the U.S. would not want to allocate its funds in this manner in the future.

(c) Assisting Belgium to purchase CF-100's would be in accordance with the request of N.A.T.O. authorities to Canada to provide mutual aid so that member countries could acquire high performance aircraft.

29. *The Cabinet* noted the report of the Minister of National Defence on the possible sale of CF-100 aircraft to Belgium, and agreed, in principle, to such a sale by A.V. Roe Company and also that an offer be made, in addition, to provide spare parts for the aircraft, including engines, as mutual aid from the existing appropriation; the Minister, the Secretary of State for External Affairs and the Acting Minister of Defence Production to conclude the necessary arrangements.

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461. DND/Vol. 21743

Le secrétaire des Forces aériennes des États-Unis
au ministre de la Défense nationale

Secretary of Air Force of United States
to Minister of National Defence

CONFIDENTIAL Washington, December 3, 1956

Dear Ralph [Campney],

This is to confirm our telephone conversation in which I told you that the United States Air Force would release the Canadian Government (RCAF) to make available to the Belgian Government for use by the Belgian Air Force the MG-2 Fire Control System used in your CF-100 aircraft. This release would be effective for first aircraft deliveries to the Belgians on July 1, 1957, and would be subject to the following conditions.

1. The Canadian Avro plan of September 1956 for the maintenance and security of the CF-100 weapon system would be substantially followed.

2. The Belgian Government will not release classified information to a 4th government without the approval of the U.S. and Canada.

3. The Belgian Government will afford to the classified information substantially the same degree of security protection afforded to it by the U.S. and Canada.

4. The Belgian Government will not use the classified information for other than military purposes.

5. The Belgian government will, in accordance with the provisions of an agreement with the Canadian Government, respect any private rights such as patents, copyrights, or trade secrets which are involved in the information.

6. The Belgian Government will exercise extreme caution to prevent the aircraft from flying over Russian or Satellite areas where compromise might occur through forced landings.

7. The electronic countermeasures capability will be removed.

As I am sure you understand, the delivery of CF-100 aircraft to the Belgians would involve the "off-shore procurement" of these aircraft by the U.S. Government for grant military aid to the Belgian Government. This aspect of the matter would be handled by the U.S. Department of Defense (International Security Affairs).

I have discussed the matter with Assistant Secretary Gordon Gray and Deputy Assistant Secretary Perkins McGuire, and believe your proposition would be in best channels if put to Mr. McGuire. Quite possibly you will have an opportunity to discuss it with Mr. Wilson or Mr. Gray while you are together in Paris.

With kindest regards,

Sincerely,
DONALD QUARLES

462. DND/Vol. 21743

Le ministre de la Défense nationale
au secrétaire des Forces aériennes des États-Unis

Minister of National Defence
to Secretary of Air Force of United States

Ottawa, December 5, 1956

Dear Donald [Quarles]:

In consequence of my recent telephone discussions with you, I have again looked into our position with respect to making CF 100 All Weather Fighters available for Belgium. I find that by diverting some aircraft now scheduled for delivery to the R.C.A.F., the AVRO Aircraft Company of Canada could commence making aircraft available for Belgium immediately, without adverse affect on R.C.A.F. needs. If such early delivery of CF 100's is beyond the capacity of the Belgians to absorb, the Company, without diverting from R.C.A.F. deliveries, can commence regular delivery to Belgium from their production line commencing about May 1957 and by adjustment of their production rate could complete deliveries of upwards of 70 aircraft by July 1958 or earlier.

It can be expected that the Belgians will require training for some of their aircrew and technicians on the CF 100 in Canada before being in a position to accept these aircraft which are new to them and, therefore, it is likely that July 1957, which you suggested as being a possible date for provisional security release of the fire control system, would satisfy Belgian requirements for aircraft delivery as well as for security release.

In any event, as has already been explained by the R.C.A.F. to the U.S.A.F. and to your staff at a conference in Washington on October 11, 1956, the R.C.A.F. and AVRO are prepared jointly to institute procedures for the logistic handling of the MG-2 fire control systems in CF 100's held by the Belgium Air Force in the same manner as is done for the CF 100's held by R.C.A.F. Squadrons in France and Germany. These proposed measures would safeguard the security aspects of the fire control system until such time as U.S.A. authorities decide that all security restrictions could safely be removed.

We understand that the Belgians desire to acquire about 70 Mark 5 CF 100's. These aircraft delivered by AVRO to the R.C.A.F. in Canada now cost about $565,000 each. This price includes sales tax which is understood to be not applicable to export sales. However, it is reasonable to expect that delivery and logistics support to Europe would involve the AVRO Company in increased handling costs, etc., which would be reflected in the sale price. Consequently, an amount of about 40 million dollars would possibly provide Belgium with about 70 CF 100 aircraft.

The above figures do not include the cost of spare parts, the total for which might be of the order of an additional 25 to 40 per cent of the aircraft cost, depending on the quantity of spares to be provided. In this regard, I might say that if the U.S. Government, assisted or not by the Belgian Government, undertakes to purchase these aircraft, the Canadian Government would be willing to assume about 25 per cent of the costs. For contractual convenience it might be appropriate for Canada's contribution to be the provision of the spares themselves. On this basis, and assuming costs to be of the rough order of magnitude of those above mentioned, the Canadian Government would expect to pay somewhere between 10 and 12 million dollars as its share.

The above mentioned cost estimates and other data have been produced within my own Department because, for obvious reasons, I have felt it would be unwise to bring the AVRO Company into these considerations at this time. In due course, however, the Company will have to be consulted with respect to detailed questions of cost, etc. Furthermore, I would point out to you that the Canadian Government's offer to contribute to the extent above mentioned is contingent on an early decision being reached by the U.S. and Belgian Governments. This condition is made necessary by the fact that the rate of production of the CF 100 by the AVRO Company must almost immediately be stabilized for a variety of reasons. One of these is the impact which this aircraft programme will have on the programme for the CF 105 supersonic fighter which succeeds the CF 100 and which is also being made by the AVRO Company of Canada.

If we can reach agreement on the proposal outlined in this letter I feel that either an appropriate U.S.A. or Canadian authority, or both, should present a concrete proposal immediately to the Belgians for their early and final consideration. Your views on this would also be much appreciated.

It is my understanding of our conversation that the further development of this proposal would be by the agency headed by Mr. Gordon Gray; you might, therefore, forward to him a copy of this letter so that he will be aware of the Canadian Government's position in this matter.

Please accept my thanks for the interest and help which have been forthcoming from you personally in this matter.

Yours sincerely,

[R.O. CAMPNEY]

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463. DEA/12001-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Belgique

Secretary of State for External Affairs
to Ambassador in Belgium

TELEGRAM DLDL-664 Ottawa, December 20, 1956

SECRET. IMPORTANT.

Repeat (by Tel) London (A/V/M Smith); NATO Paris; Washington (Mr. Chappell).

1. At Mr. Howe's request the following message is being sent you for urgent action: Begins;

Please advise the Belgian Government (Mr. Spinoy) that the CF-100 Mark V all-weather night fighter equipped with the MG2 fire control system can be made available to them as of July, 1957. You should further advise that the release date on the MG2 is concurred in by the Americans. There would be some arrangements which would have to be made in order to provide reasonable protection for the security of the fire control system but these should not be difficult to arrange.

If the Belgian Government wishes to procure CF-100 Mark V aircraft from Canadian sources, it should, if American financial assistance is expected, notify the U.S. Government of its choice of aircraft. We are not authorized to speak on behalf of the American Government and do not know whether such assistance will be forthcoming. For your own information and not to be transmitted, as this is primarily a matter between Canada and the

U.S., the Canadian Government has indicated to the U.S. Government that in order to make this transaction easier for the U.S. Government, the Canadian Government would be prepared to assume approximately 25% of the cost for about 70 aircraft.

As you will appreciate, because of a number of reasons, time is of the essence. Ends.

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464. DEA/12001-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

TELEGRAM 245 Brussels, December 28, 1956

SECRET
Reference: Your Tel DL664 Dec 20.
Repeat NATO Paris (Information).

SALE OF CF-100 TO BELGIUM

1. M. Spinoy was delighted to receive the information contained in your telegram, the substance of which I passed to him on December 21. Copy of my letter† to M. Spinoy was sent to you by bag leaving here December 21.

2. During our interview, I sensed that M. Spinoy derived a measure of personal satisfaction on learning that the MG2 had eventually been released to Belgium, presumably because he felt responsible for having persuaded the USA authorities that to withhold it from a NATO ally would have serious political repercussions. This satisfaction was heightened by the fact that only the week before, in Paris, General Norstad had told him that the device would not be released until June 1958.

[C.P.] HÉBERT

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465. DEA/12001-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

TELEGRAM 2 Brussels, January 4, [1957]

SECRET. CANADIAN EYES ONLY.
Repeat London Attention A/V/M Smith (Information).

CF-100S

In course of informal conversation with USA Ambassador last evening I got definite impression that the Military Aid Group in Brussels are hard at work to obtain Belgian order for their Scorpion all-weather fighter aircraft.

2. I gathered that to meet our offer the USA MAG have now told the Ministry of National Defence that the delivery date of the Scorpion has been advanced from July

[1958] to the last quarter of 1957. In addition they are also offering cooperation and assistance in training both aircrews and groundcrews and other facilities respecting maintenance and repair of engines mounted on Scorpion. USA Ambassador implied that the only inducement that they have not been able to match so far was that contained in telegram E153 of December 30, 1955 regarding an agreement with a suitable firm in Belgium to handle overhaul and repair of CF-100s operated by both the Belgian Air Force and RCAF in Europe.

3. I avoided giving USA Ambassador any hint concerning this last offer as I am still without a reply to paragraph 3 of my telegram 74† of May 10 1956 when I asked whether or not the offer still stands. For that reason I have also carefully avoided raising that matter again with the Belgian Ministry of National Defence.

4. Another fact which may influence decision of the Belgian authorities is the question of price. As far as I have been able to gather the Scorpion is being offered at a price somewhat below $600,000 while, to my knowledge, the original price at which we offered the CF-100 has not been lowered, namely $650,000. I think the stage has been reached in these negotiations when the Belgian Government should be informed that the Canadian Government is prepared "to assume approximately 25 percent of the cost for about 70 aircraft" and that the original cost of aircraft would thereby be reduced by 25 percent.

5. It is clear to me now that the time has now come when, if we are anxious to sell the CF-100 in competition with the Scorpion, we will have to adopt some of the ruthless sales methods that the Americans seem to be using now. It is regrettable that, as a result of an apparent lack of frankness on the part of the USA, the Belgians should now be treated to the unedifying spectacle of two NATO partners fiercely trying to outbid each other for this AWX order.

6. As you stated in your telegram DLDL[6]64 December 20, time is of the essence and I should appreciate learning without delay what steps I can now take unless an effective agreement can be reached, at this late date, at a high level between Washington and Ottawa.

7. I gathered the impression that the USA Ambassador feels quite unhappy and uneasy about the turn that these negotiations have taken.

[C.P.] HÉBERT

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466. DND/Vol. 21743

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Belgique

Secretary of State for External Affairs
to Ambassador in Belgium

TELEGRAM E-54 Ottawa, January 11, 1957

SECRET. IMPORTANT.

Reference: Your telegram No. 2 of Jan 4 and related correspondence.
Repeat Washington, CANAC, London (Information).

CF-100'S FOR BELGIUM

There is set out below a memorandum for your guidance prepared jointly by the Deputy Ministers of Defence Production and of National Defence and approved by Mr. Howe.

Text begins:

MEMORANDUM FOR CANADIAN AMBASSADOR TO BELGIUM RE POSSIBLE SALE OF CF 100'S TO BELGIUM

In view of the many changes in the picture over the last few months, the following sets out the Canadian Government's position at the present time with regard to the possible sale of CF 100's to Belgium.

It is understood that the Belgian Government will examine jet all-weather fighter aircraft from both the United States and Canada before deciding which plane to purchase. It is further understood that Canada will be asked to supply detailed information on the CF 100 for comparison purposes and an approach is being made by DND to the USAF to ascertain if the secret air proving ground report on operational suitability of the CF 100 can be released to the Belgians. In the meantime, the confidential report on the same subject can be given to the Belgians. In reviewing the different aircraft, Belgium will undoubtedly ask Canada for further technical information and performance records. The Department of National Defence is prepared to arrange a special demonstration of the CF 100 at one of our bases for the Belgians and is working out the details with AOC Air Division.

While this comparison of various aircraft is being made, it has been decided that the Canadian Government should not press the CF 100 sale too hard. Meanwhile, no further approach to the U.S. Government by Mr. Howe is planned. The main objective of the Canadian Government is to keep this to a three-way deal between Belgium, United States and Canada, and not to allow ourselves to be manoeuvred into a position where the Americans would back out of the deal and say that, if the Belgians want CF 100's they should deal only with Canada and if they want Scorpions, they deal only with the U.S. In other words, the Canadian Government does not want to have to pay more than the 25 per cent agreed to with the Americans as our share of Mutual Aid, in order to help the Americans sell an off-shore purchase to Congress.

At the time we discussed this point with the Americans, the U.S. Government was thinking of paying the full cost of 70 aircraft but felt it would be difficult to do this for planes manufactured outside their country when they themselves had similar aircraft, i.e., F 89 D in inventory, particularly with the very difficult budgetary problems facing them. It was on the basis of the U.S. paying 75 per cent and Canada 25 per cent of the total cost that we agreed to participate in the financing. Whether the 25 per cent would necessarily apply to spares or to some other cost was not determined. Later, Mr. Campney in a letter to Mr. Quarles reaffirmed Canada's contribution of 25 per cent of the total cost, whether or not the United States are assisted by the Belgian Government. We understand that the Americans are waiting for Belgium to advise the U.S. officially which aircraft they wish to purchase before considering just what the funding arrangements will be. Therefore, should the Belgians choose the CF 100, we do not know which items of cost our share of the financing would cover nor whether or not it would actually reduce Belgium's contribution if it is decided that they are to participate in the financing. However, regardless of the uncertainty as to the details of our participation, for reasons given above the Belgians should not, at this time, be advised that Canada has agreed to participate in the financing of the sale of CF 100's.

In discussing the possible sale of CF 100 aircraft to Belgium, the following points of which you may or may not be fully aware, should be noted:

1. It is in order to discuss with Belgium the fact that the CF 100 with the MG 2 fire control system will be available as of July, 1957.

2. The Canadian Government will honour its commitment to repair CF 100 *airframes* in Belgium if suitable arrangements can be made by the Department of Defence Production with a Belgian facility.

3. The suggestion has been made that Canada should give financial assistance for the purchase of spare parts. As pointed out above, we do not know whether our share of the financing will be for spare parts or not; therefore, no comment should be made on this point.

4. If the sale goes through, MG 2 fire control systems on CF 100's sold to Belgium would be repaired in Canada, in accordance with the US requirements on this point. It is not the present intention of the Canadian Government to set up a facility for this work in either the U.K. or continental Europe.

5. The Canadian Government would give favourable consideration to the use by Belgium, at their expense, of existing Canadian or U.K. repair and overhaul facilities for airframes (until Belgian facility could be set up); engines; and fire control systems.

6. The RCAF are prepared to consider helping the Belgians with the necessary aircrew and ground crew conversion training to enable the BAF to set up their own training organization.

For your information Mr. Quarles and the senior staff in the Pentagon have been most understanding and helpful in making it possible for the CF 100 to be offered for Belgian consideration. Text ends.

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467. DEA/12001-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

TELEGRAM 11 Brussels, January 16, 1957

SECRET. CANADIAN EYES ONLY.
Reference: Your E54 Jan 11/57.

CF 100'S FOR BELGIUM

Following for the Minister:

To my consternation I learned yesterday for the first time that the MG2 to be supplied to the Belgians is not identical to that in use by RCAF in Europe, the difference being the replacement of a tunable magnetron and an antichaff synchronizer by less sensitive components (foregoing from CAS21† received at CJS London on January 12).

2. When I conveyed the contents of your DLDL664 of December 20 to M. Spinoy I had no knowledge of these limitations and therefore no reason to mention them to him. Consequently I am afraid that M. Spinoy is convinced that what was being offered to the Belgian Air Force was an MG2 identical in all respects with that in use by RCAF in Europe. I feel certain that anything less, however inconsequential operationally would not be politically acceptable to Spinoy and to the Belgians.

3. Unless you can tell me that the USAF have been persuaded to lift their restrictions on these two components, I feel that I must make a clean breast of this to M. Spinoy before evaluation tests are carried out at Canadian Air Division because it is almost inevitable that

these modifications to MG2 will become apparent to the Belgians during any such tests. It is my view that if I have to tell M. Spinoy that the Canadian and Belgian MG2 will not be identical, then the CF100 deal will be off.

4. I do not see how I can avoid facing this issue beyond Friday, January 25 and this is only possible because I shall be in Luxembourg for most of next week.

5. Smye of Avro, who is in Brussels, spoke last night of these matters by long distance telephone to Golden of Defence Production.

[C.P.] HÉBERT

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468. DEA/12001-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Belgique

Secretary of State for External Affairs
to Ambassador in Belgium

TELEGRAM E-98 Ottawa, January 21, 1957

SECRET. IMMEDIATE.

Reference: Brussels telegram No. 11 of January 16 to the Minister.
Repeat Permis New York, CANAC Paris (Information).

CF-100'S FOR BELGIUM

I have set out below the text of an answer to your telegram which has been proposed by the Deputy Ministers of National Defence and of Defence Production. Mr. Pearson is in New York, where your telegram was repeated for him. I am repeating this message to New York in order that he may send you direct any comments he may have.

Following is DND-DDP proposed reply:

1. Your information re MG2 system released by USAF for Belgian consideration is correct. There is no possibility at this time that we will get USAF to release these sensitive components for Belgians. The operational effect of withholding release is small and the components can be easily incorporated if and when released.

2. Any MG2 equipment in US aircraft that may be considered by Belgium in competition with the CF 100 will not embody these components either; therefore the choice between Canadian and US aircraft will not be affected.

3. There is no need for you to advise M. Spinoy of the substitution of less sensitive components in the MG2 system. This is a technical and security matter and should be left to the US to justify to the Belgians.

469. DEA/12001-40

Note de l'attaché à la Production pour la défense, de l'ambassade aux États-Unis

Memorandum by Attaché, Defence Production, Embassy in United States

CONFIDENTIAL [Washington], March 28, 1957

DEPUTY MINISTER'S MEETING WITH MANSFIELD SPRAGUE, ASSISTANT SECRETARY OF DEFENSE, (I.S.A.) ON TUESDAY, MARCH 26TH, 1957

This meeting was attended by Mr. Sprague's top advisers including former Assistant Secretary Pike, now occupying a deputy's position in Sprague's organization. The others included William Leffingwell, Special Assistant, and Brig. Gen. John S. Guthrie, the European Regional Director for I.S.A.

This meeting, which discussed the status and procedure of the projected purchase by Belgium of jet interceptor aeroplanes, proved to be extremely interesting and, it is hoped, will result in early clarification of the situation.

Sprague obviously did not know too much about the matter as he has only recently been appointed. It did not take him long however, to get to the heart of it.

In response to the Deputy's statement of his understanding of the formal position, i.e. that the B.A.F. had indicated that they were evaluating the CF-100 preparatory to a decision on which aeroplane they would nominate, the Americans revealed that they had no information on which, if any, aeroplane the Belgians had decided upon.

On the informal side, the Deputy said that there were all sorts of odds and ends, including a report that Gen. Norstad had informed the B.A.F. that the Canadian-built CF-100 was the logical choice for the B.A.F. Gen. Guthrie then said that on their net they had it informally that the Belgians may be thinking in terms of none of the aeroplanes they have been looking at but rather a "more advanced interceptor with a guided missile capability."

The subject was then pursued on the assumption that the Belgians would nominate the Canadian aeroplane. The D.M. outlined briefly the schedule position at A.V. Roe and the fact that in order for a Belgian order to help out in the scheduling on the CF-100 Mk. 5 and the CF-100 Mk. 6, it would be highly desirable if the Belgian situation was clarified. In the discussion which followed Leffingwell outlined the interest of the U.S. Department of Defense as being involved with arrangements with the Belgians which included the acceptance by them of a U.S obligation to accept a number of British-built Hawker Hunters. It was on this basis, according to Leffingwell, that the U.S. Department of Defense had accepted, in principle, the furnishing of 64 jet interceptors of Belgian choice through the channels of Mutual Assistance and under the Department of Defense off-shore procurement program. In reply to a direct question from the Deputy Minister, it was clearly admitted that the Mutual Assistance arrangement with the Belgians was directly linked to and contingent upon acceptance of other obligations by them.

Pike asked the question, "Assuming that the Belgians nominated the CF-100 what, if any, participation would the Canadian Government be willing to take on by way of relieving the U.S. of all or part of the financial burden?"

Mr. Golden referred to the conversations between Messrs. Campney and Quarles and the general understanding he had that out of these and other conversations had grown the concept that the U.S. might pay for the aeroplanes in flyaway condition and Canada might "pick up the tab" for the initial spares provisioning which, according to various estimates, would run something in the order of 25% of the whole bill. In following this up, Pike assumed that the way it might work would be that the U.S. Government would place an order for the CF-100's and for the spares provisioning required, and some arrangements could be worked out with the Canadian Government on a reimbursement basis to cover their participation.

The Deputy Minister said that the position on funding and kindred areas had never been clear to him. However, it would seem from the discussion that the onus for trying to bring matters to a head was firmly on the shoulders of the Americans. Sprague agreed and queried as to whether they had received any word from Norstad on the position. If they had not he thought it advisable for Norstad's advice to be sought immediately.

On the funding side, there seemed to be general assent to the premise that it would be the United States Government which would handle funding and supply arrangements for the Belgian aeroplanes from whatever source, including Canadian, on exactly the same basis as other Mutual Assistance programs. This concept would seem to effectively preclude such arrangements as the B.A.F. negotiating direct with A.V. Roe, etc.

The Deputy pointed out that naturally there was really no role for the Canadian Government in this matter of supply and supply arrangements and that, indeed, it would be improper for the Canadian Government to become involved. He pointed out that it was difficult, if not impossible, to keep the interested commercial contractor, in this case A.V. Roe, from entering into the picture, but that the statements and commitments of A.V. Roe were not those of the Canadian Government.

During the discussion it was apparent that the American group felt that Gen. Norstad's voice, if raised, would be a powerful one. There was also the feeling that within the context of the NATO defence of Europe Norstad would be in favour of aeroplanes as soon as possible which would rule out the alleged Belgian concept of more advanced interceptors equipped with missiles. Gen. Guthrie, when asked what the U.S. attitude would be if the Belgians insisted on a more advanced aeroplane, replied by saying that he thought this would change the rules of the game completely and he doubted if the U.S. Department of Defense would continue its obligation in the Mutual Assistance area under these conditions.

While there is some skepticism as to whether the Belgians really will designate an aeroplane, the consensus of the group was that the ball was in their court and that they should take immediate steps, particularly through Gen. Norstad, to try to prod the Belgians into a decision.

N.R. CHAPPELL

470. DEA/12001-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

TELEGRAM 118 Brussels, April 30, 1957

SECRET. PRIORITY.

Reference: Your Tel E54 Jan 11.

Repeat NATO Paris, Bonn, CJS London, Canairhed (attn CAS and DAI), Canairlon (Information).

SALE OF CF100 FOR BELGIUM

M. Spinoy, the Minister of National Defence, called me in today to tell me that on Friday of this week he will be informing USA Embassy here that the Belgian Air Force has chosen the CF100 to equip their AFX Squadrons. The question of numbers was not raised.

2. He promised to let me have by Thursday morning a memorandum† confirming this decision and outlining the advantages he was led to believe would accrue to Belgium as a result of choosing this particular aircraft. Text of memo will be cabled as soon as received. These incidental benefits he read out to me hurriedly from a letter written by AVRO following visit of Curtis and Morley to this country in 1956 to induce the Belgians to decide in favour of the CF100. They include establishment of repair and maintenance facilities with a Belgian firm and the granting of rights to manufacture rockets in this country under license. I was not, repeat not, given to understand that the Belgian choice of the CF100 was contingent upon the granting of these supplementary advantages. He did say, however, that arising out of this choice the Belgians will expect help from RCAF for the conversion of aircrews and of ground mechanics. They are under impression that they will receive assistance in the provision of spare parts, possibly through mutual aid.

3. I recommend that this matter be kept from the press at least until the Belgians decide to release it or, better still, until a joint press release can be arranged.

For Bonn: The Minister will no doubt be interested at this happy turn of events.

[C.P.] Hébert

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471. DND/Vol. 21743

Le secrétaire des Forces aériennes des États-Unis
au ministre de la Défense nationale

Secretary of Air Force of United States
to Minister of National Defence

CONFIDENTIAL Washington, May 28, 1957

Dear Mr. Minister:

Reference is made to your letter of 5 December 1956 to Secretary Quarles pertaining to your proposals for furnishing CF-100s for Belgium.

I am pleased to inform you that in accordance with a Belgian request of May 3, 1957, for three squadrons of all weather aircraft, the United States has decided to furnish Canadian built Mark V CF-100 aircraft to Belgium. The total Belgian requirement is for fifty-three (53) aircraft constituting unit equipment for three squadrons at a strength of sixteen (16) aircraft per squadron plus five aircraft for command support. The desired delivery schedule is: the first squadron by end of CY 1957, the second squadron by mid CY 1958 and the third squadron by the end of CY 1958.

On the basis of your offer to participate in the Belgian all weather aircraft program to the extent of twenty-five percent of the total cost, we propose the following joint action. The U.S. Government would procure all fifty-three (53) aircraft at a unit price of 587,600 U.S. dollars (565,000 Canadian dollars). In addition, the U.S. would provide under the Military Assistance Program 20,000 2.75" FFAR rockets valued at 920,000 U.S. dollars for maximum operational employment of the CF-100 during the first fourteen days of combat. The total U.S. contribution would thus be 32,062,800 U.S. dollars (30,829,615 Canadian dollars). The Canadian Government on its part would then provide, prior to or concurrently with the aircraft, all other support in the amount of approximately 10,687,600 U.S. dollars (10,276,538 Canadian dollars). This support would include for one year: initial spares for the aircraft and associated equipment, organizational, field and depot support equipment, training equipment, technical representatives, and flying and technical training for the Belgian Air Force. The total cost of the joint program would be 42,750,400 U.S. dollars (41,106,153 Canadian dollars). If, after the requirements other than aircraft are finally determined, the total cost of the program is more or less than 42,750,400 U.S. dollars, the U.S. Government and Canadian Government would share the final total costs on a 75%-25% cost sharing basis. The rate of exchange of U.S. dollars to Canadian dollars would be 1.04 U.S. dollars to 1.00 Canadian dollars.

Since three Governments will be involved in this program, we believe administration could be simplified if Canada would act as the agent of the United States in implementing the program. We propose to procure aircraft through the Canadian Commercial Corporation (CCC) in accordance with existing CCC agreements between our respective Service Departments except that payment arrangements will be as proposed above. The formulation of lists of ground handling equipment, initial spares, and training equipment, and arrangements for aircraft delivery, technical representatives, flying and technical training, and financing of any contract maintenance which might be required would be subjects for mutual agreement between the Canadian Government and the Belgian Government. It is understood that the support furnished by Canada to Belgium would conform to the normal support provided by Canada under its Mutual Aid Program.

The restriction on release of the MG-2 Fire Control System remains as stated in Secretary Quarles' letter of 3 December 1956. In connection with this program, we are again reviewing the desirability of releasing the tuneable magnetron and the anti-chaff synchronizer mentioned in paragraph seven of the above letter. In the event that we should at a later date release these two items, you will be advised. To facilitate Belgian capability for maintenance of the Fire Control System beginning 1 July 1958, when the system will be releasable to them on a classified basis, Belgian students may begin MG-2 training by Canada on 1 January 1958, provided reasonable care is taken by Canada to prevent release to Belgium prior to 1 July 1958 of detailed drawings which might compromise the system.

United States assistance to Belgium would be furnished pursuant to the Mutual Security Act of 1954, as amended, and would be subject to the terms and conditions of the Mutual Defense Assistance Agreement between the United States and Belgium which entered into force March 30, 1950, and the supplemental agreements signed January 7, 1952 and

November 17, 1953. When the equipment furnished by the United States is no longer needed for the purpose for which originally made available, Belgium would pursuant to these agreements, offer to return it to the United States. At this time the Governments of Canada and the United States would agree to an arrangement for redistribution of the aircraft and support equipment in the interest of mutual security or for other disposition or repossession consistent with the equities of our two Governments.

If the above proposed plan of action is acceptable to you, we would propose that this letter together with your reply of acceptance constitute an arrangement between your Ministry and the Department of the Air Force as to terms under which the U.S. Air Force can immediately initiate offshore procurement contractual arrangements with CCC representatives. We hope to obligate funds for this program prior to 30 June 1957.

Sincerely yours,

JAMES H. DOUGLAS

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472. DEA/12001-40

Le ministre par intérim de la Défense nationale
au secrétaire des Forces aériennes des États-Unis

Acting Minister of National Defence
to Secretary of Air Force of United States

CONFIDENTIAL [Ottawa], May 31, 1957

Dear Mr. Secretary:

In the absence of Mr. Campney from Ottawa, I am replying to your letter of May 28, 1957, on the subject of provision of CF100's to Belgium.

The plan of action set out in your letter concerning the furnishing of 53 Mark V CF100 aircraft to Belgium together with a quantity of 2.75" FFAR rockets and other support for the aircraft is acceptable to me. Your letter together with this reply shall constitute an arrangement as to the terms under which you may immediately initiate contractual action with Canadian Commercial Corporation representatives for the procurement of the CF100 aircraft.

The basis of converting U.S. dollars to Canadian dollars set out in the third paragraph of your letter is, I understand, for the purpose only of converting the 25% Canadian share based on your contribution of $32,062,800 U.S. dollars to Canadian dollars, that is $10,276,538 Canadian. To the extent that Canada's costs, which will be in Canadian dollars, are more or less than this figure, the difference will be shared on a 75% United States-25% Canada basis.

We will proceed with the completion of aircraft delivery arrangements, ground handling equipment lists and other details that will be subject to mutual agreement between the Canadian and Belgian governments. When we have worked out in detail the support to be provided by Canada, we will send you the details and estimated costs.

I have noted your agreement to entry of Belgian students into MG-2 training by Canada beginning January 1, 1958, contingent on reasonable care being taken so that detailed drawings which might compromise the system are not released prior to July 1, 1958, and that you are again reviewing the desirability of releasing the tuneable magnetron and the anti-chaff synchronizer. We will take the agreed steps to comply with the security restriction on the release of the MG-2 fire control system.

Under Canadian law, the title to defence equipment furnished as Mutual Aid passes to the recipient nation which undertakes responsibility for its use to strengthen the North Atlantic Treaty Organization as well as certain obligations with respect to disposal when it is no longer required for that purpose. To conform with our respective laws, it will be necessary for the United States to deal with redistribution or disposition of the aircraft and support furnished by the United States when that question arises, and in the event any of the support provided by Canada is available for redistribution or disposal, it will be dealt with in accordance with Canadian law and procedures. I am sure this will work out satisfactorily.

It has not been the practice in Canada to issue press releases with respect to specific Mutual Aid transactions of this kind, but, if you wish to do so, we will follow suit in this case and, in that event, I think it would be desirable to coordinate the timing and the information given in the releases of the United States, Canada and Belgium. I would appreciate your views on this matter. It is our policy to advise the Standing Group of the content of our Mutual Aid programmes and I assume you would have no objection to our doing so in this case.

I am indeed pleased that the discussions that have taken place on this matter have culminated in these satisfactory mutual arrangements in the support of the objectives of the North Atlantic Treaty Organization.

Yours sincerely,
HUGUES LAPOINTE

SECTION E

ALLEMAGNE
GERMANY

473. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET [Ottawa], February 2, 1956

Present

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Health and Welfare (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

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MUTUAL AID PROGRAMME, 1956-57; POSSIBLE TRANSFER OF 75 SABRE V AIRCRAFT TO GERMANY

31. *The Minister of National Defence* said the N.A.T.O. Annual Review Committee had recommended, in December last, that the best contribution Canada could make at the present time was the provision of high performance aircraft as mutual aid.[13]

A mutual aid programme of $143 million had been provided for in the estimates for next year. Included in it was an item of 75 Sabre V aircraft. When the Minister was in Paris, he had discussed with the N.A.T.O. military authorities where these aircraft might be sent, and had been advised that the most suitable destination was West Germany. The United States defence authorities had been consulted and had agreed that this would be desirable. It had also been suggested to German officials that they might usefully visit the Air Division in Europe to study the operations and characteristics of these aircraft. Meanwhile, Canadair had been trying to sell F86s to Germany and he understood the German government would soon be calling for bids from Canadair on the F86 and from the United Kingdom on Hunter aircraft. He was most anxious to keep any possible sale quite separate from a mutual aid transfer. In particular, he wished to avoid the European agent of

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[13] Voir Volume 21, les documents 152-155.
See Volume 21, Documents 152-155.

Canadair suggesting that mutual deliveries would be provided if Germany bought some planes directly from Canadair. In the circumstances, if it was thought desirable that the 75 Sabre Vs be transferred to Germany, he would have the Chairman of the Chiefs of Staff discuss the matter with the Standing Group in Washington, and ask the Canadian Ambassador in Bonn to raise it officially with the Germany authorities.

The Minister circulated a memorandum on the detailed mutual aid programme for 1956-57. This included an estimated carry-over of direct production items of $3.75 million and a new programme to maintain facilities of $2.98 million; contributions to infrastructure and military budgets of $16.9 million and $1.5 million respectively; N.A.T.O. air crew training of $53 million and equipment acquired before and after March 31st, 1950, with a total of $64 million, (the most significant item being the 75 aircraft, valued at $39 million).

(Minister's memorandum, Feb. 2, 1956 — Cab. Doc. 23-56).[14]

32. During the discussion it was emphasized that it would be highly inappropriate for a private company to intimate that it could influence the government's decisions on mutual aid transfers.

33. *The Cabinet* noted the report of the Minister of National Defence on the proposed transfer of aircraft to Germany, and agreed that, provided the N.A.T.O. Standing Group agreed, 75 Mark V F86 aircraft be transferred to West Germany as part of the 1956-57 mutual aid programme.

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474. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], February 7, 1956

Present

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Health and Welfare (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).

The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin).

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[14] Voir/See Document 436.

MUTUAL AID PROGRAMME, 1956-57; POSSIBLE TRANSFER OF 75 SABRE V AIRCRAFT TO GERMANY
(PREVIOUS REFERENCE FEB. 2)

3. *The Secretary of State for External Affairs* reported that the N.A.T.O. Standing Group had recommended that the 75 Sabre Mark V aircraft, included in the Canadian mutual aid programme for the next fiscal year, should be transferred to West Germany. It was not known whether the Germans would accept this offer but, if they did, Canadair would try to sell as many more of these planes as it could to the German government. This might well lead to charges that the Canadian government had made a deal with Canadair and was becoming involved in a big way in the arms exporting business. Such criticism, however, would appear somewhat ludicrous, particularly as the transfer was in aid of a N.A.T.O. partner and had been recommended by the highest N.A.T.O. military authorities.

4. *The Cabinet* noted the report of the Secretary of State for External Affairs that the N.A.T.O. Standing Group had recommended that 75 Sabre Mark V aircraft, included in the Canadian mutual aid programme for 1956-57, be transferred to Germany.

R.B. BRYCE
Secretary to the Cabinet

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475. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET [Ottawa], February 9, 1956

Present

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Health and Welfare (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

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MUTUAL AID PROGRAMME 1956-57
(PREVIOUS REFERENCE FEB. 7)

8. *The Minister of National Defence* recommended that the detailed mutual aid programme he had previously submitted be approved.

9. *The Secretary of State for External Affairs* reported that, when the standing group had agreed to the transfer of 75 Mark V F86 aircraft to Germany, he had immediately instructed the Canadian Ambassador in Bonn to make a formal offer to the German government. At almost the same time, the German Minister of Finance had announced that Germany would not make any more contributions towards the cost of N.A.T.O. forces in that country. This would mean an added annual burden to the United Kingdom of £80 million and to Canada of $1.5 million. The U.K. were most upset about this and proposed to take the matter up with Chancellor Adenauer. Apart from the financial implications, it was politically unwise to give Germany mutual aid at a time when she appeared to be breaking an agreement. The matter was further complicated by the possibility of Germany buying some F86's from Canadair instead of Hunters from the U.K. In the circumstances, he had instructed the Canadian Ambassador in Bonn to defer making an approach to the Germans at this time.

A disturbing piece of news had come to his attention to the effect that Canadair was discussing sales of F86's with Saudi Arabia. The company had been told firmly that no export permits for such sales could possibly be expected.

10. *The Cabinet,*

(a) approved a mutual aid programme for 1956-57 of $143 million, as submitted by the Minister of National Defence; and,

(b) agreed that the offer to West Germany as mutual aid of 75 Sabre Mark V aircraft, included in the programme, be deferred for the present.

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476. DEA/50030-U-40

Le sous-secrétaire d'État aux Affaires extérieures
au président du Comité des chefs d'état-major

Under-Secretary of State for External Affairs
to Chairman, Chiefs of Staff Committee

CONFIDENTIAL Ottawa, February 9, 1956

Dear General Foulkes,

The Canadian Embassy in Bonn have reported that at least two German newspapers have recently made critical editorial comment on the exclusion of Germans from Canada's NATO Air Training Programme. Attached you will find a translation of an editorial† which appeared in Hamburg and Augsburg papers on January 16 and 18, respectively. Both newspapers are described as "independent" in politics.

2. This kind of comment raises, it seems to me, two questions. First, whether there is any guidance we can give to the Canadian Embassy in Bonn in dealing with such critical comment; and secondly (and this is really tied to the first question) whether the time has not

come to seek a reconsideration by Ministers of the Cabinet Defence Committee decision of November 12, 1954.[15]

3. Since this decision was taken several new developments have occurred which might justify reconsideration of this matter by Ministers. In particular, German rearmament in pursuance of the Paris Agreements and under NATO auspices has now got under way and as a contribution to that rearmament the Cabinet is considering the transfer of Orenda-equipped F-86 aircraft under Canadian Mutual Aid. The use of Canadian military aircraft by the Germans for their defence would inevitably draw attention to the problem of training the aircrew required for their operation. Moreover, there is the general but I think very important political consideration that the Germans are likely to interpret the exclusion of German airmen from Canada as an indication that we consider them to be merely second-class members of NATO. Particularly in view of the establishment of diplomatic relations between the Federal Republic and the Soviet Union it has become increasingly important for us to demonstrate to the Germans that we regard them as full and equal partners. I understand that the Federal German Republic is making arrangements with the United States to provide for the training of German aircrew. It may be that these arrangements will fully cover German requirements. Nevertheless, I believe that for the political considerations I have mentioned it may be desirable that Canada should be in a position to offer some training facilities to Germany or at least to let it be known that we would sympathetically consider such a request from the German authorities if it were made through the established channels. Whether the Germans took advantage of the offer or not, any suggestion of discrimination against them would be removed.

4. I should therefore like to have your comments: (a) on any guidance which might be given to the Canadian Embassy in Bonn on the German criticism of the statements alleged to have been made by a spokesman of the Department of National Defence, and (b) on the desirability of making an early submission to the Cabinet Defence Committee of a recommendation to reconsider their decision of November 12, 1954.

Yours sincerely,
JULES LÉGER

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477. DEA/50030-U-40

Le président du Comité des chefs d'état-major
au sous-secrétaire d'État aux Affaires extérieures

Chairman, Chiefs of Staff Committee,
to Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, February 20, 1956

Dear Mr. Léger:

Thank you very much for your letter of 9 February in which you draw to my attention editorial comment in German newspapers on the exclusion of Germans from Canada's NATO Air Training Programme. I was shocked and surprised to read these two editorials because I have not seen or heard anything of this kind in Canada.

I have had a thorough search made in this Department regarding press comment on Canadian participation in German pilot training and I find that there was an article by

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[15] Voir Volume 20, les documents 261 et 164./See Volume 20, Documents 261 and 264.

Frank Swanson published in the *Ottawa Citizen* on 5 January, 1956 (copy attached). Another comment was made by Arthur Blakeley in the *Montreal Gazette* on 18 January, 1956, which comment is attached. You will observe that there has been no suggestion that Canada would be unwilling to train pilots; in fact the whole tenor of these remarks is that there is no reason why future pilots of the new German Air Force should not be trained in NATO air training schools in Canada.

As a result of this I asked the Director of Public Relations to informally discuss this matter with Mr. Klaus Neumann, correspondent for the German Press Agency in the Press Gallery. Mr. Dumsday reports that during his conversation Mr. Neumann stated that the editorials appearing in the German newspapers as supplied by the Canadian Embassy in Bonn were distortions of a news story he had filed with his Agency. He stated that the portion of his story on the possibility of German aircrew training in Canada credited to "an official spokesman" followed much the same line as in the attached story by Frank Swanson in the *Citizen*. The portion regarding "unpleasant public relations" to such a training scheme was based on his (Mr. Neumann's) own opinion following conversations "in public circles" in Ottawa. The papers concerned had obviously developed the "unpleasant public reactions" theme to the extreme and most of it, particularly the last two paragraphs, was not supplied by Neumann. Mr. Neumann further said he wanted to make it very clear that none of this "public reaction" material came from government circles, as he did not want to spoil his "good relations" with National Defence and other departments.

I think you will see from the tenor of the two articles appearing in the Canadian papers and the statements made by Neumann that there is no connection between the editorials which appeared in the German papers in Hamburg and Augsburg and the remarks of any spokesman of this Department.

In regard to the second suggestion you have made, of the desirability of an early submission to Cabinet Defence Committee to consider offering training vacancies to Germany, I would point out that it is not our practice to offer vacancies to any country but to offer a group of vacancies to the Standing Group and for nations to put in their applications to the Standing Group for training spaces. So far the German representative on the Military Representatives Committee has not made any request for vacancies. As you are aware, the United States has announced its plan for training the Germans. The bulk of them will be trained in Europe and only a few specialists are being brought to the United States.

I would further add that we have already had some informal discussions with the Standing Group on the reduction and the eventual closing down of the NATO air training scheme in Canada as our authority for the expenditure of funds on NATO air training expires in March, 1958. We have already proposed to the Standing Group that after June, 1957, we would hope to restrict air training in Canada to those NATO nations who have no air training systems of their own and by 1958 to close down the NATO air training scheme. Therefore I would not consider it practical or profitable to suggest, at the same time as we are giving notice of closing down the air training scheme in respect of the countries already training pilots in Canada, that we start training German pilots. If, as a result of the proposed offer to deliver F86's to Germany as mutual aid, the Germans require some limited training of technicians on F86's, we would hope to do this in Germany but this would be treated as a special case.

CHARLES FOULKES

478. DEA/50334-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], March 2, 1956

SUPPORT OF CANADIAN FORCES IN GERMANY AND TRANSFER OF AIRCRAFT AS MUTUAL AID TO GERMANY

I attach a draft† memorandum to Cabinet which has been prepared in the Department of National Defence on the subject of the support of Canadian forces in Germany and the transfer of aircraft as Mutual Aid to Germany. This memorandum is intended to clarify the Government's position on the offer of 75 F-86's as Mutual Aid to Germany and to suggest the position Canada should take with regard to the negotiations with the Federal Republic of Germany on support costs for forces stationed in Germany.

2. You will recall that we have had in mind the impact of the offer of F-86's on the Canadian service interest in having financed additional capital costs for Canadian forces in Germany. We also were concerned lest the combined effect of the gift and the possible sale of F-86's by Canadair would deprive the United Kingdom of significant export earnings of Hawker Hunters and possibly give rise to the necessity of our contributing through NATO to the support of the United Kingdom forces in Germany.

3. You will see that the memorandum suggests that the Three Powers be informed of our general position including our intention to offer Mutual Aid before any offer is made to the Germans. This advance consultation would lessen the likelihood of any objection from the United Kingdom at a later stage. Moreover, the fact that we are offering F-86's without any strings attached should remove any impression that we are using the offer to get business for Canadair which might otherwise have gone to United Kingdom manufacturers.

4. With respect to the question of our own capital costs in Germany, the arrangement proposed would seem to be the most suitable one for ensuring that appropriate costs would be met in a manner consistent with our general relations towards Germany. As you will see, it is proposed that bilateral talks should be arranged with Germany on this subject if there is no objection from the Three Powers.

5. An assumption underlying this memorandum is that the Canadian Government would be prepared to continue paying the maintenance costs of Canadian forces stationed in Germany. This attitude also would seem to be in keeping with our relations with Germany as an independent country and a member of NATO.

6. This memorandum has been the subject of fairly prolonged consultation with the Departments of National Defence and Finance and since the recommendations in paragraph 6 appear to safeguard the major interests of this Department in this matter, I would recommend that you agree.

7. I should be grateful to know if you concur in the attached memorandum.

8. The negotiations between the Federal Republic and the United Kingdom, United States and France are to begin shortly, if they have not already begun, and our Ambassador in Bonn has asked whether or not Canada will be participating in them. I consider that it would be helpful to Mr. Ritchie to know what recommendations are being considered by

Ministers and I attach for your signature, if you agree, a telegram† to him containing this information.

J. L[ÉGER]

P.S. I should add that there is still a possibility that the Department of Finance may wish to alter the language of some of the recommendations in order to bring out even more clearly that our offer of Mutual Aid is not tied to any obligation on the part of the Germans to place commercial orders for fighter aircraft in Canada.[16] We feel that there is no implication in the present draft that our Mutual Aid offer is subject to any such condition but if Finance succeeds in getting this point made more explicitly, we consider that such a revision would be acceptable — or even possibly desirable — from the point of view of this Department.[17]

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479. PCO

Note du ministre de la Défense nationale pour le Cabinet

Memorandum from Minister of National Defence to Cabinet

CABINET DOCUMENT NO. 59-56 Ottawa, March 6, 1956

SECRET

SUPPORT OF CANADIAN FORCES IN GERMANY AND TRANSFER OF AIRCRAFT AS MUTUAL AID TO GERMANY

1. The Canadian Ambassador in Bonn has informed us that preliminary negotiations on the question of funds for the support of NATO forces stationed in Germany have begun between the United Kingdom, the United States, France and the Federal Republic of Germany. He has reported that it is evident that these negotiations will be protracted, difficult and bitter, and he has stated that it might be preferable for Canada to avoid becoming directly involved in them.

2. Since November, 1951, when Canadian Armed Forces were assigned to NATO command in Western Europe, Canada has been paying for the operation and maintenance costs of her forces stationed in Germany. The accommodation for these forces (camps, airfields, etc.), except Married Quarters and Schools, has been financed in Germany entirely from "occupation funds" and "support funds" made available by the Government of the Federal Republic to France, the United Kingdom and the United States. Married Quarters and

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[16] Note marginale :/Marginal note:

yes and suggested corrections made in Para 2 (1)-(B) [L.B. Pearson]

M. Pearson a proposé des changements au libellé du texte, qui n'ont pas été apportés à la version finale du mémoire au Cabinet.

Pearson's proposed editorial changes were not incorporated in the final version of the Memorandum to Cabinet.

[17] Note marginale :/Marginal note:

p.s. and I don't fully agree with the first sentence of para. 4. The present policy of paying in full the maintenance costs of Canadian Forces has been welcomed by the Germans &, I think, by the Americans. It has not facilitated the position of the French and the U.K. in their dealings with the Germans. J. L[éger]

Schools for dependent children have been provided by the Federal Republic under a rental guarantee agreement.

3. There are certain capital facilities required for the Canadian Forces in Germany which have not been financed from the support funds currently being made available to the United States, United Kingdom and France by the Federal Republic for the period ending May 5, 1956. These capital facilities include the additional accommodation at the airfields at Zweibrucken and Baden-Soellingen required for the All-Weather Fighter Squadrons which are to be located there and estimated to cost in total $1,557,000. Additional married quarters would be desirable to accommodate some of the 1,000 plus families of Canadian servicemen who cannot be accommodated in the present housing, as well as dormitories for single school teachers who are now occupying married quarters. Some increase in the schools may also be necessary. It is believed the costs of the housing, etc., would be in the order of $5 million, which, on a rental basis similar to that for the present housing, would involve $500,000 a year guaranteed for five years.

4. The present Canadian policy of paying in full the maintenance costs of Canadian Forces stationed in Germany has worked to Canada's advantage in its relations with the other governments concerned. If this policy is continued, and it would appear desirable in the circumstances of the present negotiations that it should be, Canada's interest in the negotiations with the Federal Republic respecting the support of the forces will be confined to obtaining the funds necessary for the capital facilities required by the Canadian Forces in Germany.

5. The financing of the essential capital requirements of the Canadian Forces in Germany could possibly be arranged, as an alternative to seeking an allocation from support costs, by entering into bilateral arrangements with the Government of the Federal Republic to have that Government construct the necessary facilities. It would be opportune to suggest bilateral discussions for this purpose at a time that an offer of F-86 aircraft to the Federal Republic is made. The offer of these aircraft to the Federal Republic has been discussed with and approved by the Standing Group.

6. I therefore recommend, with the concurrence of the Secretary of State for External Affairs and the Minister of Finance, that:

(1) Canada should inform the governments of France, United Kingdom and the United States, through their representatives at Bonn:

(a) that Canada has decided to offer 75 F-86 aircraft to the Federal Republic of Germany as Mutual Aid;

(b) that while the Mutual Aid offer would not have any special conditions attached to it, Canada would suggest to the Federal Republic, at the time the offer is made, subsequent bilateral discussion of the provision of accommodation at the airfields at Zweibrucken and Soellingen necessary to the stationing of CF-100 squadrons at these fields and any other accommodation that may be needed by the Canadian forces located in Germany. In the event that the Federal Republic was receptive to bilateral arrangements of this character, Canada would seek no assistance from any funds allocated to support costs;

(c) Canada prefers to leave to the three Powers the negotiations with the Federal Republic concerning a further German contribution to the support of NATO forces stationed in Germany. Unless satisfactory arrangements have been made for bilateral discussions of the provision of Canadian accommodation needs, Canada would wish to have assurance that if funds for the support of the forces are provided, consideration will be given to allocating to Canada funds for the construction of the necessary facilities to accommodate CF-100 squadrons at Zweibrucken and Soellingen, estimated to cost in the order of $1,600,000, and other essential accommodation if any should be required by Canadian forces during the period for which funds for the support of the forces are made available. Canada would be prepared, in these circumstances, to continue the present Canadian policy of paying the maintenance costs of Canadian forces stationed in Germany.

(2) The Canadian Ambassador at Bonn be instructed, after the action outlined in 1 above has been completed:

(a) to offer to the Federal Republic of Germany 75 F-86 aircraft as Canadian Mutual Aid during the fiscal year 1956-57;

(b) provided that no objection has been received from the Governments of France, the United Kingdom and the United States, to propose that the provision of accommodation required by the Canadian Forces in Germany be discussed on a bilateral basis.

[R.O. CAMPNEY]

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480. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], March 15, 1956

Present

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Health and Welfare (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

. . .

SUPPORT OF CANADIAN FORCES IN GERMANY AND TRANSFER OF AIRCRAFT AS MUTUAL AID TO GERMANY

29. *The Minister of National Defence* said that negotiations between the United Kingdom, France, and the United States on the one hand, and the Federal Republic of Germany on the other, over funds for the support of N.A.T.O. forces in Germany would likely be difficult and the Canadian Ambassador in Bonn felt it would be preferable for Canada to avoid becoming directly involved.

Canada paid for the operation and maintenance costs of its forces in Germany. Accommodation, in the main, had been financed from funds made available to France, the U.K., and the U.S. and some married quarters and schools had been rented direct from the Germans. Capital facilities, amounting to about $1.5 million still remained to be provided, and additional housing to cost about $5 million would also be desirable. Canadian interest in the present negotiations should be confined to obtaining the funds necessary for these added capital facilities. Alternatively, bilateral arrangements might be made for the Federal Republic to construct the necessary facilities, and the proposed offer of F86 aircraft might present a suitable opportunity to suggest discussions on the subject.

The Minister recommended, with the concurrence of the Secretary of State for External Affairs and the Minister of Finance, that the U.K., U.S., and France be informed that Canada proposed to offer 75 F86's as mutual aid to Germany, that bilateral discussions would be suggested for the provision of added capital facilities in Germany, and that Canada preferred to stay outside of the discussion on support costs, though, if nothing resulted from the bilateral talks, Canada would expect to receive a share of the funds allotted for the support of N.A.T.O. forces. He also proposed that when these matters had been discussed with the countries mentioned, the F86's be formally offered to Germany, and that bilateral talks be held with the Federal Republic on the extra facilities and accommodation needed for the forces.

An explanatory memorandum had been circulated.

(Minister's memorandum, March 6, 1956 — Cab. Doc. 59-56).

30. *The Secretary of State for External Affairs* agreed that it would be useful to discuss these matters with the French, British and Americans. It would be desirable, however, before making a final decision on the F86 offer to see what the reaction would be from these preliminary talks. The British might be very annoyed at a substantial offer of mutual aid to Germany at a time when that country was particularly prosperous and not bearing her fair share of the common N.A.T.O. defence. The proposal was sound from the defence point of view but that had to be balanced against any political embarrassment that might occur. The instructions to be given in these matters should therefore be appropriately modified.

31. *The Cabinet* approved in principle the recommendation of the Minister of National Defence on the attitude to be adopted regarding the negotiations for the support of Canadian forces in Germany and the transfer of F86 aircraft as mutual aid to Germany; it being understood that the United Kingdom, the United States, and France would be informed that Canada was now considering the offer of 75 F86 aircraft to Germany as mutual aid and that Germany would not be advised of this offer until such time as the discussions with the U.K., the U.S., and France had been held.

. . .

481. DEA/50030-L-12-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], March 21, 1956

SUPPLY OF F-86 AIRCRAFT TO GERMANY

In accordance with your suggestion we have asked our Missions in Washington, London and Paris to endeavour to expedite the receipt of comments on our proposed offer of these aircraft, in the light of discussions currently taking place with the Germans on support costs. So far no definitive comments have been received and Washington has expressed doubt that United States views will be available by the time Cabinet meets. London in an interim reply indicates difficulty in defining the United Kingdom attitude on the related problem of Canadian accommodation in Germany.

Although we can understand the reluctance of the Departments of Trade and Commerce and National Defence to delay this offer further we would hesitate to agree to proceeding before we have the views of the three powers, particularly as we have already implied that we would await their reaction before going ahead. Recent reports from Bonn indicate a strong preference in the German Air Force for Canadian Sabre aircraft and a considerable likelihood in consequence that Canadair will be successful in making a sale. Such an order would undoubtedly be welcome. If, however, it appeared that we were using our Mutual Aid to attract this business (which might be the impression created if we now go ahead without waiting for reactions), we might expect rather severe criticism from the United Kingdom on the grounds that we were subsidizing our aircraft exports and depriving them of orders which they might have secured on a competitive basis. Not only will the United Kingdom be concerned at the loss of orders for its aircraft industry as such, but must also consider the effect on its general balance of payments position and on its need for Deutschemark exchange in the event of curtailment and possible cessation of German support payments. Our own trade with the United Kingdom might be affected.

There has been very little time since the Cabinet decision for our missions to obtain the views of the three governments on this rather difficult question and for the reasons given above I would hesitate to recommend action until these views have been ascertained. If the offer were made and the United Kingdom subsequently raised objections it would be difficult to avoid the implication that it was intended at very least to encourage subsequent purchases of similar aircraft from Canadair.

J. L[ÉGER]

482. DEA/50030-L-12-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], April 4, 1956

SUPPLY OF F-86 AIRCRAFT TO GERMANY

We have now received word from Paris, London and Washington on the reaction to our proposed offer of aircraft to the Federal Republic and the concurrent suggestion for bilateral negotiations with the Germans on provision of accommodation for Canadian forces. Our Embassy in Paris has been informed that the French Government has no objection to our offering the aircraft, but the United Kingdom and the United States doubt the desirability of taking the action we propose at this time.

The Secretary of State for Commonwealth Relations has informed our High Commissioner that the United Kingdom Government have no objection to bilateral negotiations between Canada and Germany or to our offering the aircraft, but expresses the fear that it might embarrass them in their current negotiations were our own discussions to be initiated during the early stages of those negotiations. The United Kingdom Government suggest a postponement of our approach for a month, or six weeks at the most, and undertake to inform us as soon as their negotiations have developed sufficiently to enable us to proceed without embarrassing them. The State Department, while expressing appreciation of our considering the offer of aircraft to Germany has asked us to delay making the offer for a month or two. They are afraid that if we offer the aircraft at this time the German position on support costs may harden still more and the Germans may proceed to request additional equipment from the United States, who would be unwilling to supply it at this time.

In view of the reaction of London and Washington I would recommend that both the offer of aircraft and the proposal for bilateral negotiations be again postponed until they can be made without embarrassment to the Three Powers. While I am not impressed particularly by some of the United States reasoning about the likely German reaction to our offer I think it would be embarrassing were we to proceed to disregard their views.

If Ministers are reluctant to accept postponement for an indeterminate period, especially in view of the increasing likelihood of German purchase of Canadian aircraft on a commercial basis (which, though not directly connected with our offer is nevertheless a consideration which cannot be disregarded) it might be desirable to set a definite date, say May 5, for making the offer and proposing bilateral negotiations. I would propose in this case that we inform Paris, London and Washington of our intention.

If in the opinion of Ministers this delay is too long, consideration might be given to offering the aircraft on an earlier date, perhaps on April 20 and delaying proposing bilateral negotiations until later.

The objections raised by London and Washington relate solely to the timing of our proposed action, not to its substance, and since the offer of the aircraft is to be unconditional there is no particular reason why the proposal for financial negotiations has to be made simultaneously. Our bilateral negotiations might be expected in any event to derive some benefit from the fact that we were providing aircraft to Germany as mutual aid.

The above courses (which have not been discussed with other Departments) have been outlined for your possible use in case this question may be raised by some other Ministers at tomorrow's Cabinet meeting. If the matter is not brought up, we would propose to consult interdepartmentally on some agreed recommendations to the various Ministers concerned within the next week or ten days.[18]

J. L[ÉGER]

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483. DEA/50334-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM DL-627 Ottawa, April 19, 1956

SECRET. IMPORTANT.

Reference: Your Telegram No. 391 of March 29.
Repeat Paris DL-399, Reference: Your Telegram 237 of April 4; Washington DL-740, Reference: Your Telegram 625 of March 31.
Repeat Bonn, CANAC Paris (Information).

SUPPORT OF CANADIAN FORCES IN GERMANY AND TRANSFER OF AIRCRAFT AS MUTUAL AID TO GERMANY

In the light of the information received about the apparent deadlock in the support costs negotiations and of the views expressed by London, Paris, and Washington on the possible impact of our offer of mutual aid and proposal to open bilateral talks for the provision of additional accommodation for Canadian forces, we have decided:

(a) to take no further action in the making of an offer of 75 F86 aircraft as mutual aid at least until the week of May 7 when the matter will be further considered; and

(b) to consider also at that time the question of bilateral talks.

2. We should, therefore, like to be kept informed of developments in the support costs negotiations and of any change in the views on our proposals. In particular we should like a report by May 6th on a re-check of the attitude of the various governments.

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[18] Note marginale :/Marginal note:
This matter did not come up in yesterday's Cabinet. L.B. P[earson]

484. DEA/50030-L-12-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en République fédérale d'Allemagne

Secretary of State for External Affairs
to Ambassador in Federal Republic of Germany

TELEGRAM DL-144 Ottawa, May 24, 1956

SECRET. IMMEDIATE.
Reference: Our Telegram No. E27 of February 7.†
Repeat NATO Delegation DL-498.
Repeat Washington, London, Paris (Information).

TRANSFER OF AIRCRAFT AS MUTUAL AID TO GERMANY AND SUPPORT OF CANADIAN FORCES IN GERMANY

We have, as you know, informed the United States, the United Kingdom and France of our pending mutual aid offer of 75 F86 aircraft to West Germany. The three Powers have also been kept informed of our intention to open bilateral talks with the Germans for the provision of additional accommodation for Canadian forces in Germany. The reactions of the United States, United Kingdom and France that a Canadian initiative at an early stage in the multilateral support costs negotiations which they had underway with the Germans might embarrass them, were taken into consideration in our deferment of the offer and of the bilateral approach. However, now that the principal sending States (US, UK, France) and some of the others have, as a result of the breakdown of the multilateral negotiations, entered into bilateral talks with the German Government in an effort to obtain what they can for the support of their national forces in Germany, we see no reason any longer to defer taking action.

2. Cabinet has agreed that you may now proceed to offer to the West German Government 75 F86 aircraft equipped with the Orenda engine to be supplied as Mutual Aid during the fiscal year 1956-57.

3. This offer is being made on the recommendation of the Supreme Allied Commander and with the concurrence of the Standing Group. As you are aware the matter has been discussed with United States authorities and it has been agreed that if this offer is accepted, Canada and the United States will work together to arrange a satisfactory procedure to ensure that the United States and Canadian air programmes do not conflict.

4. Details of the timing of deliveries, provisions of group handling equipment, supplies of spare parts, etc., will have to be worked out if and when the German authorities indicate that they accept this offer.

5. It is of the utmost importance that there should be no publicity about this matter until the offer has been made and reported to the Atlantic Council.

6. Canadian policy has been, and no departure is intended in this case, that no strings or conditions be attached to Mutual Aid offers. The offer of 75 F86 aircraft is to be made on this basis. We are, however, anxious to reach an early solution to the financing of the additional capital facilities required by our forces in Germany. These facilities consist of additional accommodation at the airfields at Zweibrucken and Baden-Soellingen needed for the operation of the all-weather CF-100 fighter squadrons to be located there, and the accommodation is estimated to cost a total of $1,557,000. (It is no longer our intention to

raise the question of additional married quarters as we propose to provide these through a rental guarantee agreement along the lines of the one already in effect). Therefore, the only outstanding capital accommodation consists of the airfield requirements.

7. We should like to repeat that no conditions are attached to the Mutual Aid offer, and it is to be made entirely separately of any representations you make on behalf of our capital requirements. These requirements we should like to see financed by the German Government considering that our past capital needs in Germany in support of the common NATO defence effort have been met from funds made available by Germany to its NATO allies as provided for in the Finance Convention and a protocol to the Paris Agreements. It may be well to remind the Germans that since 1951 when Canadian forces were stationed in Germany, their maintenance and support have been paid by the Canadian Government at no cost to the Germans.

8. We should like you to make the Mutual Aid offer as soon as convenient after receipt of this telegram. We are anxious to receive an early indication from the Germans as to whether or not they accept the offer, and you might let them know that an early expression of their views would be appreciated. Please let us know when you have made the offer.

9. We leave to your discretion when to take up the question of our capital requirements. It might be convenient when you are making the Mutual Aid offer to mention that there is an outstanding matter concerning capital requirements for the Canadian forces that you would like to discuss at an early mutually agreeable date. On the other hand, should the atmosphere be particularly receptive when talking about the F86s, we see no harm in discussing the other matter so long as care is taken that the Germans are not led to believe that the meeting of our capital requirements is a "quid pro quo" for obtaining the aircraft or that the two questions are in any way connected. You could mention also that you propose to take up in the near future the question of an additional rental agreement to cover further married quarters accommodation.

10. The following are the particulars of the capital accommodation required at the airfields in question:

	Cdn
BADEN-SOELLINGEN	
a) 1 rocket ready-use building	$ 18,000
b) 3 bulk rocket storage buildings (total)	13,500
c) 10 dispersal shelters (total)	400,000
d) 1 fuzing building	10,000
e) 2 readiness shelters (total)	223,000
f) 1 engine buildup building	75,000
	739,500
ZWEIBRUCKEN	
a) 1 rocket ready-use building	18,000
b) 3 bulk rocket storage buildings (total)	13,500
c) 10 dispersal shelters (total)	400,000
1 flight simulator building	50,000
d) 1 fuzing building	10,000
e) 2 readiness shelters (total)	262,000
1 engine buildup bay	75,000
	828,500

485. DEA/50030-L-12-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en République fédérale d'Allemagne

Secretary of State for External Affairs
to Ambassador in Federal Republic of Germany

TELEGRAM E-154 Ottawa, June 1, 1956

SECRET. IMPORTANT.

SALE OF F-86'S

We have been informed that Mr. Redpath of Canadair is planning to go to Bonn almost immediately to discuss the possibility of selling a quantity of F-86 aircraft to the German Government. After discussion with US Trade and Commerce have advised Canadair that it would be most unwise from their point of view and ours for Redpath to become involved in negotiations with the Germans before we have received Germany's acceptance of our offer of F-86's under Mutual Aid. Canadair have also been told that even in discussions with the Germans at a later stage they should avoid any impression that our Mutual Aid offer was linked in any way with the placing of commercial orders subsequently with Canadair. As you know, we feel that it would be very unfortunate if the Germans or the U.K. were to conclude that our offer was connected with the promotion of sales of Canadian aircraft.

2. Redpath will probably nevertheless proceed to Bonn but we understand that he will not engage immediately in negotiations directly with the Germans. He will certainly not expect assistance from you before you receive instructions from us in the light of the German reply to our Mutual Aid offer. At that time we may authorize you to provide him with introductions and other kinds of assistance normally regarded as appropriate in connection with the activities of representatives of any Canadian commercial firm.

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486. DEA/50030-L-12-40

L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs

TELEGRAM 154 Bonn, June 5, 1956

SECRET. IMMEDIATE.
Reference: Our Tel 153 Jun 5.†

F-86 AIRCRAFT AS MUTUAL AID TO GERMANY

My telegram 153 from Air Attaché to CAS contains the Air Attaché's report of a conversation which he had on June 2 with the German Chief of Air Staff. This interview was arranged at the request of the German authorities to discuss military and technical aspects of our Mutual Aid offer.

2. As you will see the German military authorities are reluctant in terms of the combat effectiveness of the German Air Force in 1958 to accept offer. However no decision has yet been reached by the German Government and it is quite possible that the financial, political over-all defence considerations involved in turning down the offer may in the end prevail with the German authorities to make them decide to accept it. Meanwhile as you will see from the Air Attaché's report the Germans are asking the Department of National Defence for figures on the cost of maintaining the F-86's in spare parts and introducing them into the German Air Force. It is likely that these figures will play an important if not decisive part in determining the German answer. If the German military authorities can show that the maintenance of the F-86's and the provision of spare parts is likely to prove a very costly item they will probably use this as an argument with the Finance Ministry against acceptance of the offer. I suggest that we should be careful to state to the Germans that they represent Canadian experience of cost of spare parts replacement and that we are not repeat not in a position to estimate what the cost to the Germans may be.

3. One disconcerting feature of this whole business is the indication from the German service authorities that it is the American offer of F-100 aircraft that has been decisive in making them recommend against the acceptance of our F-86 offer. We have shown our Air Attaché's report on his conversation with the German Chief of Air Staff to an official of the United States Embassy here, pointing out that the German reluctance to accept our Mutual Aid offer would doubtless puzzle the authorities in Ottawa who had been proceeding on the assumption that the offer made on the recommendation of SACEUR with the concurrence of the Standing Group and after discussions with the United States authorities would be gratefully accepted. He maintained that there was no real overlapping in Canadian and United States aid repeat aid programmes. He confirmed however that the Germans have recently been advised of the availability in 1958 on a procurement basis of F-100 aircraft although they have known for some time that these would be likely to be available to them. In addition he stated, the Americans will probably offer Germany 150 F-100 aircraft free of charge by substituting the equivalent dollar value of the aircraft, F-84's etc., covered by the Nash commitment. In 1958 (as now) the Germans will have available more aircraft than pilots. Our F-86 offer, if accepted, will therefore mean a reduction in the flow of United States aircraft supplied as Mutual Aid and/or on a procurement basis. Nevertheless the Germans might prefer F-86 aircraft in 1958 to the F-84 type.

4. The United States official added that in his opinion the German Air Force might well find that their own plans would have to be altered when the Canadian offer was considered in terms of its political, financial over-all defence implications. In the latter context the use of F-86 aircraft (as opposed to F-100 aircraft) need not necessarily imply a reduction in the military effectiveness of the German Defence Forces in 1958. Funds released which might otherwise be spent to procure F-100 aircraft could be applied against the real financial gap in the German defence build-up. He was inclined to guess that if logistic costs were not excessive the Germans would in the end accept our offer.

487. PCO

Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet

Memorandum from Secretary of State for External Affairs
to Cabinet

CABINET DOCUMENT NO. D-10-56 [Ottawa], June 12, 1956

SECRET

REPORT ON THE MUTUAL AID OFFER OF 75 F-86 AIRCRAFT TO GERMANY

Following a decision of the Cabinet on May 24, the Canadian Ambassador in Bonn was instructed to offer 75 F-86 aircraft to the Federal Republic of Germany as part of the Mutual Aid programme for 1956-57. Furthermore, Mr. Ritchie was instructed to take up with the German authorities the question of the financing by the German Government of certain additional capital facilities at two airfields in Germany occupied by the Royal Canadian Air Force, required for the operation of the CF-100 All-weather fighter, making it clear that the second matter was not dependent on the first.

2. The formal approach to the German authorities was made by the Ambassador on May 26, and since then the Germans have had under consideration the offer and the request for capital facilities. The granting of the request is related to some extent to the outcome of the bilateral discussions between the Governments with forces stationed in Germany and the German authorities on the continuation by Germany of the payment of "support" costs. (Canada pays for the maintenance of its own forces in Germany, but the capital requirements for the forces have, in the past, been met by "occupation" and "support" funds made available by Germany to the United States, United Kingdom and France.)

3. Since making the formal Mutual Aid offer, the Canadian Ambassador in Bonn has reported on the developments which have taken place. While the Germans have expressed their appreciation of the offer, they have told the Ambassador that its acceptance raises a number of important questions. They have explained that the German Airforce is still at the planning stage and must be confined to the limitations laid down in the Paris Treaties. For this reason the Germans will not be in a position to accept deliveries of aircraft before 1958, and it is their hope to equip their new Airforce with the best aircraft available for the purpose at that time. The United States has made a Mutual Assistance offer of F-100 aircraft which will be available to the Germans in 1958. This aircraft is of a more recent design than the F-86 and the German authorities appear to be leaning towards building their fighter strength around this type. However, no firm decision has been reached by the Germans and it is not expected that they will make a formal reply to our offer until all the factors are carefully considered. One of these factors is the cost of maintaining the F-86. This information and answers to other questions of logistics will be supplied to the Germans.

[L.B. PEARSON]

488. DEA/50030-L-40

L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs

TELEGRAM 167 Bonn, June 13, 1956

SECRET. IMPORTANT.
Reference: Your Tel 154 Jun 5.

F-86 AIRCRAFT AS MUTUAL AID TO GERMANY

Redpath of Canadair called June 7. Although he had planned busy itinerary of visits in Bonn, he has been most co-operative and will refrain from asking contacts with German officials while our offer is being considered. He expressed regret that German Treasury cannot now be informed of long term credit arrangements which Canadair can offer for purchase of Sabres Mark VI. He is apprehensive that USA and UK aircraft firms will be making sales proposals while Canadair must defer its contact.

2. You are no doubt aware that there seems to be widespread knowledge of offer both here and in United Kingdom. Information given to governments apparently has resulted in uncomfortably large number of people aware of offer. Although I think German officials will be discreet it would not surprise me if press picked up and published this information from one source or another. Moreover there would remain some residual risk that even if Germans do not accept offer there might still be newspaper stories which would scarcely be welcome. Perhaps some thought should be given to the line to be taken in this eventuality.

3. We are not in a position here to do more than guess as to the ultimate decision of the German Government with respect to our mutual aid offer. The Americans here (who incidentally tell us that the Federal Republic's plan for an airforce buildup may be by no means as inflexible as the Germans themselves would lead us to believe) do not seem to be able to make any reassuring comments it could of course be true that as the Canadian offer was made on the recommendation of SACEUR and after consultation with USA authorities (we seem to have no information as to the extent or form of this consultation) the Americans are under some obligation to see to it that our offer is accepted and acceptable. Certainly the Americans should be anxious to ensure that USA military programs for Germany whether in the form of grants or procurement assistance do not cut across our own effort in this sphere. You may wish to consider discussing with State and Defence Departments in Washington the present situation as I think greater coordination between USA and Canadian programmes could be more effectively achieved by instructions from Washington to USA representatives here. In any event at a minimum the American MAAC Group here should be authorized to discuss our offer with the Germans and help persuade them of the desirability of accepting it.

[C.S.A.] RITCHIE

489. DEA/50334-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en République fédérale d'Allemagne

Secretary of State for External Affairs
to Ambassador in Federal Republic of Germany

TELEGRAM DL-167 Ottawa, June 15, 1956

SECRET. IMMEDIATE.
Reference: Your Nos. 153† and 154 of June 5.
Repeat CANAC Paris, Washington, London, Paris (Information).

F86 AIRCRAFT AS MUTUAL AID TO GERMANY

The following RCAF estimates are based on Canadian experience in maintaining one squadron of Sabre F86 aircraft:

(a) Initial cost to cover special ground handling equipment, tools, test equipment, but not standard items such as refuellers	$195,000.00
(b) Spares including 6 months pipeline plus one year's consumption	$890,000.00

These costs do not include P.O.L. or other costs not peculiar to Sabres. They do not include engine or airframe overhaul which amount to approximately $500,000.00 based on cost of having this work done in the U.K. They do not include provision of factory technical representatives which RCAF estimates to be $60,000.00 per year per wing base of 75 aircraft.

2. It is emphasized that the above costs are for one squadron of 25 aircraft flying at the recommended SHAPE rate for one year. As we do not know what the German plan for operation of these aircraft might be we are using this squadron unit as basis of calculating costs.

3. The government is prepared to have you enter into negotiations with the German authorities for the supply of the above items, (a) and (b), of spares support as additional Canadian Mutual Aid (see paragraph 4 of our DL-144 of May 24) for one year if you consider that the maintenance costs are presenting a difficult situation to Germany and you think that the provision of these spares additional to the engines might favourably influence the Germans into accepting the offer. The factors considered by the government in taking this view were that the U.S. MDAP practice has been to include these items as Mutual Aid and it has been the Canadian practice in providing Mutual Aid aircraft to the U.K., Greece and Turkey. On the other hand, the German position differs from that of these other countries in that Germany should be able to support its own rearmament costs to a much greater extent than the other recipients of F86 aircraft as Mutual Aid.

490. DEA/50334-40

L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs

TELEGRAM 171 Bonn, June 15, 1956

CONFIDENTIAL
Reference: Your Tel DL167 Jun 15.

MUTUAL AID F-86 AIRCRAFT

As we considered that the provision of the spares might favourably influence the German decision with respect to our Mutual Aid offer (your paragraph (4), I informed Scherpenberg of all of the additional spares which would be provided. The Air Attaché also informed Panitzki. Both expressed gratitude at our sympathetic understanding of their problem and promised an early decision regarding the acceptability of our offer.

2. If the Federal Government accepts our offer it is my understanding that the whole transaction should be recorded in an exchange of notes with the Foreign Office.

3. I assume that if our offer is accepted a statement will be made in the House along the lines of that contained in your telegram DL149 May 28.† (Incidentally while the emphasis in that statement on the re-equipping of Canadian squadron may be considered desirable from the Canadian point of view it would not likely provoke the best reaction here where the need for the most modern equipment has been underlined.) I hope that you will be able to let me have the complete text of the statement together with an indication of the time that it is to be delivered.

[C.A.S.] RITCHIE

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491. DEA/50030-L-12-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en République fédérale d'Allemagne

Secretary of State for External Affairs
to Ambassador in Federal Republic of Germany

TELEGRAM E-170 Ottawa, June 20, 1956

SECRET
Reference: Your telegrams No. 167 of June 13 and No. 169 of June 15.†
Repeat Washington, London, CANAC Paris (Information).

MUTUAL AID F-86'S OFFER

Our two following paragraphs contain comments by National Defence on your telegram No. 167:

"In the circumstances, it might be desirable to advise the Ambassador that the consultation that has taken place is that of which he is aware as a result of discussions between himself and the Chairman, Chiefs of Staff Committee, last December and the various telegrams on this subject that have passed between Ottawa and Washington. The purpose of this consultation was, in the first place, to assure ourselves that the United States had no objection to the offer of these aircraft as Mutual Aid and this was cleared by Mr. Wilson following the discussions that took place at the ministerial meeting of which the Ambassador was informed by the Chairman. Subsequently, the offer was cleared with the State Department and Mr. Ritchie, as I have noted above, is aware of the telegrams on this subject.

2. We have at no time desired more than an exchange of information on this subject to assure ourselves that this offer would not conflict with U.S. plans. Consequently, this consultation does not in any way involve the Americans in an obligation to see to it that the offer is acceptable nor would we wish to involve them in such an obligation. They are aware of the facts and any decision to urge the Germans to accept this offer is a matter which rests solely with them. We do not, therefore, consider that it would be desirable to seek through Washington the insurance of instructions to their MAG representatives in Bonn."

3. In the light of these comments, and taking account of the proposal contained in our telegram No. DL 167 of June 15, we have concluded that it would not be advisable at least at present to make an approach in Washington. Equally, of course, it would now be redundant to propose to the US that there should be joint consideration of the spares and ground handling question.

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492. DEA/50030-L-12-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM E-967 Ottawa, June 28, 1956

CONFIDENTIAL. IMMEDIATE.
Repeat Bonn (Immediate), CANAC Paris (Important) (Information).

MUTUAL AID — F-86 AIRCRAFT FOR GERMANY

Following is the text of telegram No. 177 of June 27† from Bonn:

"Understand that Federal Government will accept our offer. Assume formal exchange of notes could be unclassified and that you would not object to a suitable press release being issued by the German Foreign Office."

2. This indication of probable German acceptance has been welcomed here. Departments concerned have been consulted and Messrs. Howe, Campney and Harris see no objection to issuance of suitable press release by German Foreign Office. We also have no objection to proposal that exchange of notes with German Foreign Office to confirm and accept the offer should be unclassified.

3. We are, however, advising Bonn separately that this exchange should not be so worded that it could be construed as a formal intergovernmental agreement. We are instructing the Embassy to phrase their letter to the Foreign Office in accord with the formula which we use in other NATO capitals in officially submitting an offer of Mutual Aid, so that the form of this offer shall be in no way exceptional.

4. If you and the Prime Minister see no objection to these proposed arrangements (which of course depend upon the expected German acceptance being confirmed), you may wish to inform Bonn directly and repeat your telegram to us for information.

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493. DEA/50030-L-12-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 883 London, July 1, 1956

SECRET. IMMEDIATE.
Repeat Bonn, NATO Delegation Paris (Information).

MUTUAL AID — F.86 AIRCRAFT FOR GERMANY

Any announcement at this stage of the supply of aircraft to Germany might well have unfortunate repercussions in the UK and elsewhere feelings in this country are strong on the support agreement, the results of which have just been announced,[19] and the *Times* of this morning accused Germany of discrimination against Britain. If at this moment it was announced that Canada was making a substantial and generous gift to the Germans and if this were at the same time seen in some quarters as a move to cut British aircraft out of the German market, some bitter things might be said. I have in mind also that such an announcement coming at about the same time as the announcement of the intention to discontinue the air training plan would raise questions about Canadian policy.[20] I very much hope, therefore, that the press releases will not be issued in Bonn and that we can postpone an announcement until the matter can be handled to produce a happier impression.

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494. DEA/50030-L-12-40

L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs

TELEGRAM 180 Bonn, July 3, 1956

CONFIDENTIAL. MOST IMMEDIATE.
Reference: Your E179 Jul 1.[21]
Repeat London for Minister 26 Most Immediate.

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[19] Voir/See United Kingdom, House of Commons, *Parliamentary Debates*, 1955-56, Volume 555, London: Her Majesty's Stationery Office, 1956, p. 866.

[20] Voir/See Document 493.

[21] Non retrouvé./Not located.

F-86 MUTUAL AID FOR GERMANY

Owing to delays in transmission we have not yet received London's telegram 883 to which you make reference so that we are not in a position to appreciate the considerations involved. I think I should emphasize however that it would be very difficult at this stage to take action vis-à-vis the Germans to delay announcement of the offer and resultant publicity. I have an appointment with Foreign Minister Brentano on Friday July 6 to exchange notes. The Germans are apparently anxious to give formal significance and considerable publicity to this exchange.

2. The situation here is that after rather prolonged and difficult negotiation the Germans have eventually come round to acceptance of the offer. This has involved changes in their planning for their airforce structure which have now been agreed. Any move on our part which suggested that we were contemplating reconsideration of our offer would have most prejudicial effect on Canadian German relations.

3. In view of preparations for exchange of notes on July 6, should appreciate your early instructions.

[C.S.A.] RITCHIE

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495. DEA/50030-L-12-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs to High Commissioner in United Kingdom

TELEGRAM E-991 Ottawa, July 3, 1956

CONFIDENTIAL. IMMEDIATE.

Reference: Our telegram No. E-179 of July 1 to Bonn and Bonn's reply No. 180 of July 3.
Repeat Bonn (Immediate), CANAC Paris (Important) (Information).

MUTUAL AID — F-86'S FOR GERMANY

Following for the Minister:

As pointed out in our telegram No. E-179 of July 1, the procedures now proposed have been worked out taking the fullest possible account of U.K. sensibilities. As the Ambassador in Bonn has indicated, the deferment of an announcement could give rise to serious misunderstandings on the part of the Germans (and perhaps others) concerning our intentions. We are, moreover, not clear how a deferment could lead to a significantly "happier impression" in the U.K. without extending for a period so long as in all probability to compromise our position on Bonn completely. On the whole we believe that the present arrangements might be allowed to stand, but that the Ambassador in Bonn might suggest to the Germans that it would assist us considerably if the matter were presented as a normal Mutual Aid transaction (rather than as a special event) as it is our intention to do here.

2. If a brief delay (say a week or so) in the public announcement would be helpful in London, our Ambassador in Bonn might suggest such a deferment to the Germans even though the exchange of notes were to take place on schedule on July 6. Such a delay should presumably govern as well the timing of a statement in the NATO Council.

3. If you are in accord with these views, you may wish to advise the Ambassador in Bonn directly.

[J.] LÉGER

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496. DEA/50030-L-40

L'ambassadeur en République fédérale d'Allemagne au secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany to Secretary of State for External Affairs

TELEGRAM 188 Bonn, July 7, 1956

CONFIDENTIAL. IMMEDIATE.

Reference: Your Tel E991 to London Jul 3.

Repeat London 27, NATO Paris 20 (Immediate).

MUTUAL AID F-86'S FOR GERMANY

I exchanged notes† with Foreign Minister Brentano this morning on the provision of F-86's as Mutual Aid for Germany (text of notes will be forwarded to you by air bag).[22] Brentano expressed the warm gratitude and appreciation of the Federal Government for this gift and asked me to convey to the Canadian Government the deep appreciation of the German Government.

2. I explained to Brentano that it was our practice first to inform the North Atlantic Council of our Mutual Aid contribution before any public announcement was made. I added that I understood that the next meeting of the Council would be on Wednesday, July 11, and that the Canadian representative would communicate this information to the Council on that occasion. I therefore requested that no public announcement should take place in Bonn until Thursday, July 12. Brentano said that he quite understood the situation and the German announcement would be delayed until July 12. In this way we shall have obtained the brief delay referred to in paragraph 2 of our telegram under reference.

3. I confirmed this programme on the telephone with John Holmes in London and I understood that he would clear it with the Minister.

[C.S.A.] RITCHIE

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[22] Aucun communiqué n'a été publié au Canada, lacune qui a suscité bien des questions à la Chambre des Communes. Voir Canada, Chambre des Communes, *Débats*, 1956, Volume 6, p. 6200.
No press release was issued in Canada, a lapse that sparked questioning in the House of Commons. See Canada, House of Commons, *Debates*, 1956, Volume 6, p. 5984.

497. DEA/50030-L-12-40

L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs

TELEGRAM 198 Bonn, July 12, 1956

SECRET. IMPORTANT.

F86'S — MUTUAL AID TO GERMANY

You may wish to see the Air Attaché's telegram 196 of July 12† to the Chief of Air Staff headed "Implications of acceptance of F86 offer". As you will observe, it has emerged from his preliminary informal conversations with the German Air Force that we may expect requests from the Germans for (a) participation by German pilots for training on Sabres from January to mid-summer 1957; and (b) pretty extensive technical training facilities for German Air Force personnel in the use and maintenance of the Sabre aircraft. In paragraph 4 of your telegram DL173 of June 22† you referred to the political and other implications of training German air crew (but?) state that it would be inappropriate for us at this stage to express any unwillingness to give consideration to a request from Germany for training facilities in connection with the offer of F-86's. So far no formal requests have been received from the German authorities for any training facilities and this eventuality has only come up in conversation with the Air Attaché. It is to be anticipated, however, that requests of the kind mentioned above may be forthcoming. I should, therefore, be grateful to have any preliminary indications which you can give me of our probable attitude towards such requests. I have little doubt that in terms of good relations with the German Air Force and also of the need of the German Air Force for training on Sabres, any such training facilities we could properly afford the Germans would be justified. However, these views ignore the wider policy implications from the Canadian point of view which you are, of course, in a better position to assess than we are here.

[C.S.A.] RITCHIE

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498. DEA/50030-L-12-40

L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs

TELEGRAM 204 Bonn, July 16, 1956

CONFIDENTIAL. IMPORTANT.

POSSIBLE PURCHASE OF SABRE 6 AIRCRAFT BY GERMAN AIR FORCE

Air Attaché has been approached by the Chief of Operations WGAF (and?) members of the planning staff regarding possibility of using a considerable number of Sabre Sixes in WGAF fighter element.

2. Plan under consideration at present is use of Sabre Fives in one or two operational training units with graduates moving on to Sabre Six squadrons in mid 1958.

3. In reply to question Air Attaché replied that 1958 delivery dates could be met by Canadair.

4. Planning staff impressed with desirability of an early decision on their part so that Canadair can plan accordingly.

5. Please pass substance of this message to CAS and Canadair.

[C.S.A.] RITCHIE

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499. DEA/50334-40

L'ambassadeur en République fédérale d'Allemagne au sous-secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany to Under-Secretary of State for External Affairs

LETTER 638 Bonn, July 19, 1956

CONFIDENTIAL

Reference: Your telegram DL-144 of May 24, 1956 and related correspondence.

TRANSFER OF AIRCRAFT AS MUTUAL AID TO GERMANY AND SUPPORT OF CANADIAN FORCES IN GERMANY

I received today from Professor Grewe of the Foreign Office the attached Aide Mémoire† (office translation) signifying the agreement of the Federal Republic to meet the costs of the additional capital accommodation required at the RCAF airfields at Zweibrucken and Baden-Sollingen necessary for the operation of the all-weather CF-100 fighter. Professor Grewe stressed that while our request for the financing of the capital facilities was not really regarded by the Germans as a request for an allocation of support costs, any announcement of German agreement with us would probably be included in the announcement which would be issued when the negotiations with the Belgians had been concluded. (Incidentally, the Belgians are still demanding 122 million DM — as an appropriate percentage of the U.K. share — while the Germans are equally insistent that the amount to be paid to Belgium should be 118 million DM, the appropriate percentage of the U.S. share.) In the meantime the Foreign Office would wish us to give no publicity to the arrangements which have now been worked out.

2. You will note that the Aide Mémoire points out that the Federal Republic will include in the Federal budget an amount up to DM 6.585 million to meet the construction costs of the installations to be constructed at Zweibrucken and Baden-Sollingen. This is the DM equivalent (calculated at the rate of 4.20 DM to the dollar) of the 1.568 million Canadian dollars which we estimated to be the cost of the additional construction. Additional points made in the Aide Mémoire, together with my comments, are as follows:

(a) The German share of the cost of the new installations is regarded as a "non-recurring payment" and in accordance with agreements recently concluded with other Sending States the Federal Government considers that paragraph 4, article 4 of the Finance Convention can no longer be applied. This provision is similar in substance to provisions contained in the replies to the United States and the United Kingdom (and we believe to other Sending States). In the case of the reply to the Americans (my letter 526 of June 18†), the Foreign

Office spoke of *concluding* negotiations with the United States on the basis of article 4, paragraph 4 of the Finance Convention.

(b) The Federal Government undertakes to institute all appropriate parliamentary and other measures required for the implementation of the agreement. Professor Grewe told me that it was unlikely that the agreement reached with us or the agreements reached with the other Sending States would be presented to the German Parliament for approval. They would, however, be tabled in the Budget Committee of the Bundestag next fall. I should be glad to receive your views as to how the German contribution is to be absorbed. Presumably the Department of National Defence could make arrangements to go ahead with the necessary construction on the expectation that re-imbursement will be made up to the amount set out in the German Aide Mémoire.

(c) The Aide Mémoire expressed the Federal Government's "hope" that Canada will support Germany in the Status of Forces negotiations and ensure that a settlement is reached which, (1) takes into account the sovereignty of the Federal Republic, and (2) does not contain provisions less favourable than those contained in stationing agreements respecting other NATO countries. Similar requests were not included in the Aides Mémoire exchanged with the British and the Americans, although according to the Foreign Office they were contained in separate communications addressed to the Ambassadors of other Sending States in Bonn.

(d) The Aide Mémoire also stresses the importance which the Federal Government attaches to the joint infrastructure programme and particularly to an apportionment of costs based on "principles which have hitherto been applied among older member countries". Again this provision was not included in the Aides Mémoire handed to the other Sending States but instead was contained in separate but related communications.

3. The Foreign Office have told us that no formal reply from us is expected to their Aide Mémoire.

4. It is, I think, worth reporting that the Canadian Mutual Aid offer, combined with our rather modest request for financial support for the Canadian forces in Germany (and also the alleged announcement in Ottawa that Canada was waiving its share of support costs) seems to have created a very favourable impression, at least among German authorities in Bonn. At least five strands of recent evidence would seem to support this contention:

(a) German officials have obviously taken a good deal of pleasure in informing us that the Federal Republic is prepared to meet our *full* airfield capital requirements. The amounts to be provided to the other Sending States have been arrived at only after prolonged, complicated and often bitter negotiations. Unlike our own, the original requests of all of the other Sending States were whittled down considerably before agreement was reached.

(b) The Foreign Office have been most anxious to ensure that an adequate amount of publicity resulted from our Mutual Aid offer and I believe that in the circumstances we can be reasonably content with the press coverage which accompanied it. In making the announcement the Foreign Office were most anxious to ascribe a relatively high DM value to the Mutual Aid offer; you will recall that the German release pointed to the value of the gift as "more than 150 million DM".

(c) There is, as has been reported separately, a new-found determination on the part of the German Air Force to at least consider seriously the procurement of the F-86 Mark VI aircraft in Canada. You will recall that when our Mutual Aid offer was first broached the Foreign Office were most anxious to ensure that its acceptance involved the Federal Republic in no obligation, implied or otherwise, to purchase additional equipment in Canada. In retrospect I believe that the Germans were honestly suspicious over an unsolicited offer to them of a substantial Mutual Aid contribution with no strings attached. While the U.S. Government has been exceedingly generous in making available military equipment and services to support the German defence build-up, the German authorities have found that the acceptance of an American gift — let alone the acceptance of procurement assistance in the U.S. — is extremely complicated indeed.

(d) In the NATO Status of Forces Conference the German delegate enthusiastically referred to our housing agreement as evidence that Canada had accepted a principle that there should be payment for land which is used for non-military purposes. You will remember, however, that, as reported in our letter No. 614 of July 10,† the Canadian delegate rejected the contention that the housing agreement implied any acceptance by the Canadian Government of such a principle.

(e) As I have reported in a separate communication† today, we were told recently by an official of the Finance Ministry to delay until further notice any action on the letter from the Finance Ministry seeking rent on housing which is being taken over by the Brigade upon release by the Belgians enclosed with my letter No. 614 of July 10. The Finance Ministry official implied that because of our recent generous attitude vis-à-vis the Federal Republic the provisions of this letter might have to be altered.

5. It would, I think, be a mistake to read too much into these recent developments or to consider them all as manifestations of unadulterated gratitude on the part of the Germans. No doubt the Germans for their purposes are happy to hold us up as an example in their negotiations with the other Sending States — a development which understandably is not likely to be in our own long-term interests. It is also possible to conclude that certain German officials seem to have found in our apparent attitude new significance in the phrase "Mutual Aid" as contained in Article III of the North Atlantic Treaty.

H.A. STEPHENS
for Ambassador

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500. DEA/50030-U-40

L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs

TELEGRAM 214 Bonn, July 20, 1956

SECRET. IMMEDIATE.

Reference: Your 193 Jul 18† understood and much appreciated.

For Chief of the Air Staff from Air Attaché Bonn.

Had a lengthy conference yesterday afternoon with General Kammhuber and planning staff. They are really in difficulties about meeting pilot commitments to NATO and I explained our position but said we were most anxious to help within our resources. They have been working long hours trying to find a solution to an almost impossible situation. USAF training system in the USA completely filled with their own trainees plus WGAF cadets for USAF Mutual Aid aircraft. USAF training stations here filled to capacity with WGAF refresher pilot training for USA Mutual Aid aircraft. WGAF training stations designed only to cater to WGAF normal attrition rate after initial build-up completed. But

WGAF must have approximately an additional 400 trained if force level promised under Paris Treaty is to be met.

Found during discussion Kammhuber almost baffled by problem and trying to act decisively under direct orders from the Chancellor who he saw yesterday. Evidently told to do something with no expense spared if necessary. Found, too, staff almost naive about how to do things in time and eager for advice and suggestions. Advanced some suggestions for thought in preparation for arrival of Air Commodore Patriarche which included allocation of at least one German station as centre point for Sabre technical training and later use as the build-up got under way for a Sabre OTU. A station will be allocated. Was asked if you could possibly see your way clear to provide training facilities for even a limited number of refresher pilots who might man in stages aircraft at the Sabre OTU beginning by midsummer 1957.

Explained our position regarding complete training courses for cadets and then was told Germany prepared to meet full cost of training all the approximately four hundred required if there was some way we could manage it. Question.

Would it be possible to re-open a school or schools on a short term basis, two to three years, to deal only with the German requirement? Germans would like intakes to commence April 1957 and first output available summer 1958. Would there be time to prepare between now and first intake April/May 1957?

These discussions led to the question of aircraft. Was asked again about advisability as well as availability of Sabre Sixes. Stated that it seemed to me highly desirable in view of the trained manpower they would have available by 1958 and that aircraft could be produced on schedule as required by any plan we might work out together. Kammhuber finally convinced and decision then taken on the spot to order one complete wing of Sabre Sixes with reserves and complete normal back-up spares and spare engines. I was asked to place the order or convey the message to Canadair. Explained it really should reach Canadair through their own DDP. The order was issued then and there to begin negotiations to sign a letter of intent and contract. Further conversation then revealed distinct possibility of an order for one or more wings further if all went well.

Must explain what I mean "if all went well". Kammhuber said he had what was in effect a blank cheque from the Chancellor. He said what would be the use of having a large number of Sabre Sixes if he had no pilots to fly them when he took delivery of them in 1958 and later. Was prepared to pay full cost of training aircrew requirement and wanted it done in Canada if possible since graduates would be flying Canadian aircraft. But said finally that if we could not help him in this regard then he didn't know what they would do but it might be a mistake to buy Canadian aircraft. Gave me the impression of a man in deep trouble trying to meet the wishes of his Chancellor and the condition, if you like, of no German paid for training facilities no purchase of Canadian aircraft was not in his view a tough attitude but a practical one.

Believe Patriarche should be informed in Washington of this development but cautioned not to discuss it there. Definite order for Sabre Sixes exists now if some way has been devised to meet aircrew requirement. Believe provision would lead to further sales not only in the day fighter field but in others. Would regret sale passing to USA if news of proposition got to them and they offered training facilities on a cash basis before you had taken your decision.

This new development discussed fully with Ambassador. An early decision would be very much appreciated by WGAF and us and if possible during visit of Patriarche in order that he can, if it is an approval in principle, discuss details.

501. DEA/50030-U-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en République fédérale d'Allemagne

Secretary of State for External Affairs
to Ambassador in Federal Republic of Germany

TELEGRAM DLDL-50 Ottawa, July 20, 1956

SECRET. IMMEDIATE.
Reference: Your Tels Nos. 196† and 198 Jul 12.

F86'S — MUTUAL AID TO GERMANY

1. The Chairman, Chiefs of Staff, has now let us have his preliminary views on the problems of assisting the German military authorities in training pilots for the F86 aircraft they have accepted as Mutual Aid. General Foulkes points out that at this time it is only possible to let you have his tentative views for your own personal information as these problems are undergoing an active investigation by the RCAF. He assures us, though, that it is the desire of the Department of National Defence that everything possible will be done to assist the German Air Force in its programme to introduce Sabre V aircraft. However, until the extent to which assistance will be required is known, it is very difficult to give a complete outline of the plans of the Department of National Defence.

2. The present tentative plans are that the United States Air Force should be approached to ascertain whether they will undertake the commitment of training the German pilots up to the standard of jet training in the establishments which have been set up in Germany by MAAG. In this regard Air Commodore Patriarche, the Chief of RCAF Training, will proceed to Bonn this week-end to discuss with you and with MAAG the German requirements and how these can be met. After Patriarche has ascertained the requirements and the views of MAAG, he will then visit Washington to find out whether the United States are agreeable to training German pilots up to wing standards provided Canada will carry out the special F-86 training.

3. The training of technicians is a much more straightforward matter in the opinion of National Defence, and Patriarche will discuss this in Bonn as General Foulkes understands that arrangements can be made to have some of the training done with the Air Division. National Defence is also exploring whether it would be advisable to make an additional air force officer who has detailed knowledge of jet air training available to assist Edwards in his negotiations with the Germans.

4. In regard to training F86 pilots, General Foulkes has asked the air force to work out two different plans. The first plan would be to bring the German pilots, on completion of wings standard training, to the RCAF training establishment at Chatham, N.B. to complete their training on F86 aircraft in the same school as is now used by the RCAF. A second proposal would be to set up a temporary school in Germany by taking some of the equipment and some of the personnel from Chatham and carrying out the training on one of the airfields in Europe, with some help from the Air Division. Both the Minister of National Defence and General Foulkes favour the training being carried out in Europe if at all possible but they want to investigate the implications, particularly the cost, of this type of a venture before putting it up to ministers for agreement.

5. It is hoped that the Chief of the Air Staff will be visiting overseas in the latter part of August and the early part of September and the CCOS is suggesting that the CAS should arrange to call on the Chief of the German Air Force and perhaps make arrangements for a visit to the Air Division so that they can discuss the German requirements and reach tentative decisions on the best way of providing assistance to the Germans. As soon as the RCAF can come up with these alternative plans, General Foulkes hopes to get Mr. Campney's tentative concurrence and at that time they will put forward their tentative plans to the Cabinet Defence Committee or if that is not possible Mr. Campney will discuss them with Mr. Pearson.

6. In transmitting these views to you, General Foulkes has asked that we stress that these are only tentative plans, and that while he is desirous of keeping you completely in the picture, he would not wish the plans to be disclosed to the Germans in any way until such time as he can get at least tentative approval.

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502. DEA/50030-U-40

L'ambassadeur en République fédérale d'Allemagne au secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany to Secretary of State for External Affairs

TELEGRAM 226 Bonn, July 27, 1956

SECRET. IMMEDIATE.
Reference: Your Tel DLDL 50 Jul 20.

F-86 MUTUAL AID TO GERMANY

Air Commodore Patriarche who returned to Ottawa last night will be able to inform you fully of the conversations which he and the Air Attaché have been having with the German service authorities on the possibilities of Canadian contribution to training.

2. Air Commodore Patriarche and I saw Lt. General Kammhuber yesterday for a general talk on this subject in the course of which the General emphasized:

(a) that the possibility of German purchases of F-86 Mark VI depended on the provision of training facilities by Canada which would be paid for by the Germans if necessary;

(b) that the UK Government would be willing to supply such training facilities if Canada was unable to do so. (The Air Attaché considers that the implication of this statement is clearly that the Germans would then switch to the purchase of Hawker Hunter planes instead of Sabres.

(c) Lt. General Kammhuber expressed a strong personal preference for training taking place in Canada rather than in Germany. I indicated my surprise at this attitude. However, the Air Attaché has learned from Kammhuber's Chief Lieutenant that this preference may not be final and determinative though may be very difficult to overcome;

(d) Lt. General Kammhuber laid great emphasis on the necessity for as rapid a decision as possible as to whether Canada would be able to undertake to provide the requested training facilities. He explained this attitude by saying that Chancellor Adenauer was pressing for a decision on the buildup of the German Air Force in the very near future (doubtless the Chancellor is influenced in this attitude by his desire to be able to prove to the USA Government that Germany is pressing ahead with rearmament and thus to influence them against any decision for the reduction of USA forces in Germany). The Air Attaché's information is that the German Air Force feels it must decide on what make of fighters to buy within the next two weeks.

3. I made no commitments with regard to the possibilities of Canada meeting German requirements apart from expressing general sympathy with the German position and willingness to be as helpful as our resources permitted.

4. The advantages for the Canadian economy and aircraft industry of the purchase by Germany of three to four hundred aircraft is obvious. It is also apparent that you will wish to consider the implications of this at the policy level, having in mind many factors including our NATO relationship. I should be grateful to have your views.

5. Patriarche's paper covering a proposal made to WGAF states I am in agreement. While it is certainly true of the general approach, owing to Patriarche's rapid departure I was unable to see the paper until today and I have certain reserves on points in detail particularly with regard to paragraph 2 in its reference to German force level and use.

[C.S.A.] RITCHIE

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503. PCO

Extrait du procès-verbal de la réunion du Comité du Cabinet sur la défense

Extract from Minutes of Meeting of Cabinet Defence Committee

TOP SECRET [Ottawa], August 13, 1956

Present

The Prime Minister (Mr. St-Laurent), in the Chair,
The Minister of Defence Production (Mr. Howe),
The Minister of National Defence (Mr. Campney),
The Minister of National Health and Welfare (Mr. Martin),
The Minister of Justice (Mr. Garson), (For the morning session)
The Minister of Finance (Mr. Harris).
The Secretary (Mr. Martin),
The Military Secretary (Captain Lucas).
The Chairman, Chiefs of Staff (General Foulkes),
The Chief of the Air Staff (Air Marshal Slemon),
The Chief of the General Staff (Lieutenant-General Graham),
The Chief of the Naval Staff (Vice Admiral DeWolf),
The Chairman, Defence Research Board (Mr. Zimmerman).
The Deputy Minister of Finance (Mr. Taylor) (For the morning session)
The Deputy Minister of National Defence (Mr. Miller),
The Deputy Under-Secretary of State for External Affairs (Mr. Macdonnell),
The Assistant Deputy Minister of Defence Production (Mr. Hunter),
Mr. R.G. MacNeill, (Department of Finance).

I. AIRCREW TRAINING FOR THE FEDERAL REPUBLIC OF GERMANY

1. *The Minister of National Defence* said that the Federal Republic of Germany had indicated it might purchase up to 400 F86 Mark VI aircraft provided Canada assisted in the expansion of the German Air Force by training up to 400 aircrew as pilots. The Germans had indicated that they were prepared if necessary to pay for this training and wished it to commence in April, 1957.

This training could be accomplished either by using the R.C.A.F. plant in Canada or by transferring the necessary personnel and equipment to establish an organization in Germany for the purpose. If done in Canada, the training could commence in October, 1957 and the first group would graduate in November, 1958 and the last in April, 1959. It might even be possible to commence training prior to April, 1957 by filling vacancies caused by short-falls in R.C.A.F. aircrew recruiting or NATO allocations.

The effect on the R.C.A.F. of following the first course to accept 400 trainees in Canada would delay the presently planned reduction in Training Command by approximately eight months and would delay the build-up of the Air Defence squadrons recently approved. Training in Germany would not only delay the reduction in Training Command by more than eight months but it would also be much more complicated due to weather conditions in Germany, the fact that airfields might not be available and that even if they were, they might require considerable modification, the complications in sending service personnel abroad, and a number of other factors. The R.C.A.F. would prefer to have the programme undertaken in Canada and the German Air Force would undoubtedly prefer this course. Although the curtailment of NATO training had already been announced to our partners in the alliance, there should be little difficulty in explaining the Canadian position and the reasons for training these German aircrew here.

The Chiefs of Staff recommended that approval in principle be given this training and that negotiations be opened with Germany leading to a bilateral agreement between the two countries to make the necessary arrangements. He concurred in this recommendation.

The Panel on the Economic Aspects of Defence Questions had considered the matter and were agreed that on economic and military grounds it would be much preferable if the programme were undertaken in this country. One of the factors which impressed the Panel was that if, following the next election in the Federal Republic, the new German government should decide to change German policy in this connection just when facilities were being established and R.C.A.F. personnel had been moved to the continent, a good deal of difficulty would occur. If the training were done here, however, and the then German government should decide not to have Canadians training its aircrew, the programme could be brought to an end relatively easily. The Panel also thought that an order for up to 400 aircraft would maintain employment in a large section of the aircraft industry at a time when it would otherwise be considerably reduced.

Explanatory memoranda had been circulated.

(Minister's memorandum, August 9, 1956 — Document D16-56†; Memorandum, Chairman, Panel of the Economic Aspects of Defence Questions, August 9, 1956 — Document D11-56†).

2. *Mr. Campney* added that the cost to the Germans would be roughly $20 million, subject of course to negotiation. SHAPE was strongly in favour of Canada meeting the German request.

3. *During the discussion* the following points emerged:

(a) It appeared quite likely that Germany would order these aircraft in Canada provided that we undertook to train their pilots.

(b) If the German government were to cancel the order at some future date there should be no expense to the Canadian government. In other words, the government would not underwrite this contract.

(c) The fact that training in Canada would produce German airmen as much as a year sooner than if the programme were undertaken in Germany was noted. The whole development would be of substantial support and significance to NATO.

(d) The training arrangements would be made on the clear understanding that this was not an extension of Mutual Aid to Germany. It was hoped to make a bilateral agreement with Germany which would have no reference to the agreements to be made with Norway, Denmark and Holland who would be paying a nominal charge for each of their pilots trained here at the conclusion of the NATO aircrew training programme.

(e) Deliveries of the F86's would commence on December 1st of this year and conclude in two years' time. The value of the order would be roughly $150 million. In addition, there would be substantial savings to Canada in overhead costs at Canadair and Orenda Engines Ltd., meaning in effect savings on defence orders, and employment of skilled personnel would be maintained.

(f) It was noted that the Cabinet as a whole had discussed the proposals briefly and felt there would be no serious domestic consequences if the training were undertaken in Canada. It had authorized the Committee to settle the question.

4. *The Committee* noted the report of the Minister of National Defence on the training of aircrew for the Federal Republic of Germany and agreed to recommend that negotiations be opened with the Federal Republic for the training in Canada, at German expense, of up to 400 aircrew as pilots provided the Federal Republic agreed to purchase up to 400 F86 Mark VI aircraft in this country.

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504. DEA/50030-U-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en République fédérale d'Allemagne

Secretary of State for External Affairs
to Ambassador in Federal Republic of Germany

TELEGRAM DLDL-140 Ottawa, August 13, 1956

SECRET. IMMEDIATE.
Repeat Washington, London, NATO Paris (Routine) (Information).

TRAINING IN CANADA OF GERMAN AIRCREW

Cabinet Defence Committee considered today August 13 question of training of German aircrew. It agreed that the German Government be informed that should it decide to buy F86's in Canada, the Canadian Government will be prepared to enter into negotiations with the German Government looking to the training by the RCAF in Canada of up to 400 German aircrew as pilots, depending on number of aircraft purchased, this training to be at German expense.

2. The Minister of National Defence will leave Ottawa for Europe towards the end of August and will be prepared to enter into preliminary discussions with the Germans on this matter on September 3 and 4 if Germans agree.

3. I would appreciate it if you would pass the substance of the above decision on to the German Government at the earliest opportunity and let us have any comments or reactions on their part which this decision may give rise to.

505. DEA/50030-K-40

Procès-verbal de la réunion du Comité sur les aspects économiques des questions de la défense

Minutes of Meeting of Panel on Economic Aspects of Defence Questions

TOP SECRET Ottawa, August 16, 1956

Present

Mr. F.R. Miller (Deputy Minister of National Defence) (Acting Chairman)
General Charles Foulkes (Chairman, Chiefs of Staff)
Mr. R.M. Macdonnell (Deputy Under-Secretary of State for External Affairs)
Mr. G.W. Hunter (Assistant Deputy Minister of Defence Production)
Mr. M.W. Sharp (Associate Deputy Minister of Trade and Commerce)
Mr. R.G. MacNeill (Department of Finance)
Mr. W.R. Martin (Privy Council Office) (Secretary)
Mr. A. Laframboise (Privy Council Office) (Assistant Secretary)

Also Present

A/C V.H. Patriarche (Department of National Defence)
Mr. E. Gallant (Department of Finance)
Mr. J.M. Harrington, Mr. J.A. McCordick (Department of External Affairs)
Mr. D.L. Thompson (Department of Defence Production)
Mr. D. Harvey (Department of Trade and Commerce)
Col. G.M. Carrie (Defence Research Board)

1. *The Panel* had for consideration a draft Communication to the German Foreign Ministry (Document ED-8-56†) and a Memorandum on Financial Implications of German Air Training in Canada (Document ED-9-56†).

(These two documents had been circulated).

2. *The Chairman* said that the Panel should consider the tone of the draft Communication to the German Foreign Ministry rather than its form. Referring to paragraph (g), he said that it was intended to give sufficient latitude for negotiations based on a ratio of approximately one trainee for one Sabre VI aircraft.

3. *The Panel* agreed that this ratio would be a reasonable basis of agreement.

4. *General Foulkes* said that the Memorandum on Financial Implications of German Aircrew Training in Canada was to justify our requirement for payment by Germany of our out-of-pocket expenses. It was desirable to make it clear to the Germans that they were being treated in the same manner as the other NATO partners. The Germans would enter the air training system just as early as vacancies could be created and the Germans would be trained at our expense as long as other NATO students were attending the courses. The charges to the Germans would only include the additional cost of operating the system beyond the time it would have closed down but was now being kept in operation for exclusive German training.

5. *The Chairman* said that if we accept $21 million as the costs of training 400 pilots, the cost of training one pilot will amount to $50 thousand. Compared to the figures in the United States and Britain this was a bargain price.

6. *General Foulkes* pointed out that the purpose of this training scheme was to encourage the sale of aircraft. Canada's attitude towards Germany should be the same as towards other NATO partners. The cost figures should contain an element of Mutual Aid but Canada should not offer Germany terms that would be more favourable than those offered

to other NATO members. The figures must be low enough to show an element of Mutual Aid so as to offset any criticism by the U.K. that Canada's intentions were based entirely on business motives. On the other hand, the figures must not be so low as to make other NATO countries feel that special concession was being made for Germany. He suggested that if 400 trainees were sent to Canada, a charge of $12 million should be demanded.

7. *The Chairman* was of the opinion that Canada should not engage in any bargaining with Germany. A figure should be agreed on and submitted as a flat rate. Germany would have before them the British figures and they should know therefore whether Canada's figures were acceptable.

8. *The Panel* agreed:

(i) that the cost of training 400 pilots would amount to $12 million;

(ii) that Canada would not engage in any bargaining on those figures;

(iii) that Canada's representative in Germany should be informed as soon as possible of the costs of training so that the negotiations could be begun; and

(iv) that no publicity of this air training scheme be given until the NATO Council had been notified.

9. *Mr. Macdonnell* said that he thought Mr. Ritchie, Canada's representative in Germany, had sufficient personnel to carry on negotiations. If the need arose for further technical assistants, they could be sent over.

10. *A/C Patriarche* said that already Germany had raised technical questions of training. Some of their requests involved extensive modifications of the air training plan already outlined. He was of the opinion that Germany should be held to the initial proposals.

11. *The Chairman* was of the opinion that the broader question should be resolved first. After agreement had been reached on how much the training programme would cost and how many trainees would be sent to Canada, the more technical problems of training could be resolved by experts.

12. *The Panel* agreed:

(i) that at present no one would be sent to Germany to assist Mr. Ritchie;

(ii) that a telegram should be sent immediately to Germany stating that $12 million would be charged to cover "out-of-pocket" expenses to train 400 pilots and stating that no publicity should be given to the air training scheme until the NATO Council had been advised of the agreement with Germany; and

(iii) that Holland, Norway and Denmark would be asked for a token payment of $5 thousand for each of its candidates to the attrition training programme.

W.R. MARTIN
Secretary
A. LAFRAMBOISE
Assistant Secretary

506. DEA/50030-U-40

L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs

TELEGRAM 245 Bonn, August 17, 1956

SECRET. IMMEDIATE.

Reference: Your 214 Aug 16† for Chief of the Air Staff from Air Attaché Bonn.

Thank you for your prompt reply to my 242 August 15.† Info contained very important for discussions held this morning with General Kammhuber.

General Kammhuber had been thinking in terms of the firm commitment he had made to me for the purchase of 100 sabre sixes and his request to me that you consider training 400 aircrew in Canada at German expense. The factor therefore in his mind had been four to one. Your calculations based on one to one therefore came as a shock and when your method of arriving at the factor was explained he and his planning staff were left feeling that there was no room in the manning figure on which you had based your calculations for pilots going on leave, being sick or other circumstances beyond the control of a force commander.

Kammhuber's key planning staff all veterans of the EDC planning team who had been working closely with NATO since 1952. All were aware that NATO forces are manned where possible at the rate of one point five pilots per aircraft. This seemed to them a reasonable factor and did allow for leaves, sickness, etc. and insured that first line aircraft were manned at all times.

General Kammhuber enthusiastic about prospects of your allowing pilots to be trained in Canada and enthusiastic about possible purchase of any flying Canadian sabre sixes. Cost of training would appear to be no problem. Cost of aircraft no problem. Main worry to man aircraft by NATO target date. Would be grateful if you would reconsider the one point one factor with a view to increasing it to one point five. If you cannot agree to this figure before arrival of team of specialists and Minister this will be a major point in discussions and negotiations.

During lengthy talk with Kammhuber managed to get him to make firm commitment to purchase 200 sabre sixes complete with spares if you would agree to one point five factor. In addition would agree to payment for training of pilots to fly 75 gift aeroplanes.

Using the one point five factor proposition resolves itself to this — 200 aircraft 300 pilots. 75 gift aircraft 112 pilots totals purchase of 200 sabre sixes with spares 41 pilots trained in Canada at German expense.

Minister of Defense Herr Blank and his Deputy Dr. Rust unavoidably out of Bonn until approximate weekend of September 9. General Kammhuber anxious to proceed with planning details with RCAF planning team you spoke of as soon as possible and if the one point five NATO factor can be applied to this problem anxious to put up the proposition for German Government approval immediately. Mr. Campney may not wish to visit Bonn if he cannot see Herr Blank or his deputy but perhaps could arrange to approve agreements at the end of his European tour. General Kammhuber available in Bonn from now until Farnborough then available once more if Minister or his representative feels signing of final papers requires his presence.

German staff officers from training section meeting with Air Division Staff Officers Zweibrucken next week to discuss details of technical training. Latest thought is that a limited number of T33 trained officers may become available for conversion training in Air Division by April-May 1957 and German Air Force would hope to take delivery of small number of sabre fives by that time.

Would hope you would consider one point five factor request with sympathy for Germany staff feel they are on firm and accepted ground in advancing it.

Reduction from possible purchase of 400 aircraft to 200 explained by General Kammhuber by difficulty in manning 400 plus 75 gift aircraft at the rate of one point five pilots per aircraft and training load in available training systems. In addition stated his hope that Canada might have a newer and better day fighter by 1960 and his intention that when this present commitment to NATO had been met to buy the new and up to date fighter from Canada if it was available. He felt that to load his air force up with 400 sabre sixes which might be considered obsolete in 1960 would be unwise whereas 200 would allow his air force to gather experience and build muscle to cope with the trials of the future.

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507. DEA/50030-U-40

L'ambassadeur en République fédérale d'Allemagne au secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany to Secretary of State for External Affairs

TELEGRAM 255 Bonn, August 29, 1956

SECRET. IMMEDIATE.

For Chairman Chiefs of Staff Ottawa, General Foulkes from Miller (Information).

Minister met with General Kammhuber today and discussed latest German proposals which were that the Germans would purchase 225 sabre sixes which together with the 75 Mutual Aid sabre fives represent a sabre force of 300 aircraft from which a front line force of 225 aircraft could be mounted. Using the SHAPE criteria of 1.2 pilots per seat this represents a trained pilot requirement of 270. The German plan calls for in-putting 360 trainees to produce this number of pilots and this figure is close enough to our wastage experienced that we felt that we should not haggle about it. This plan appears to be a sound one both as to numbers of aircraft and pilot requirements and is as far as the Germans can go at this time. Minister has indicated to Kammhuber that he is prepared to recommend this size of training commitment to his colleagues on his return to Canada. Kammhuber was very pleased with this info. No discussion of costs was undertaken by either side.

As Mr. Campney's stay in Ottawa will be very short when he returns it would be useful if you could get government reaction to this proposal prior to our return so that it can be settled if possible before Minister's departure for Vancouver. CAS should see this message as I have asked Air Force people here not to duplicate it to him.

508. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET [Ottawa], September 6, 1956

Present

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Public Works and Acting Minister of Agriculture (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General
and Acting Minister of National Defence (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

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N.A.T.O.; TRAINING OF GERMAN AIRCREW; PURCHASE OF F-86 AIRCRAFT
(PREVIOUS REFERENCE AUG. 15)

8. *Mr. Lapointe, as Acting Minister of National Defence*, said the Minister of National Defence was now discussing in Germany the related questions of purchase of aircraft by the Federal Republic and of training German aircrew in Canada. Mr. Campney had reported that Germany would buy 225 F-86 Sabres which, together with the 75 Sabres to be delivered as Mutual Aid, were considered sufficient for one division. In turn, the Germans had requested that 360 pilots be trained by Canada. Having regard to wastage in training, an intake of this number would produce sufficient pilots to man the 300 Sabres. He recommenced that the previous negotiating authority be amended to allow discussions to continue on the basis of Canada training 360 aircrew, on the understanding that an order of 225 Sabres would be placed with Canadian industry.

An explanatory memorandum had been circulated.

(Acting Minister's memorandum, Aug. 31, 1956; Cab. Doc. 174-56†).

9. *During the discussion* the following points emerged:

(a) The question of payment for the training had not yet been brought up with the Germans, but it was proposed that a price be set which would approximately cover the out-of-pocket expenses of the Department of National Defence for continuing the present N.A.T.O. air training scheme in existence to meet these German requirements.

(b) It was possible that sales of CF-100's might be made to Belgium. The fire control equipment in the most up-to-date of these aircraft was installed under license from the United States which hitherto had been reluctant, on security grounds, to see it on aircraft operated by countries other than themselves and Canada. However, it appeared that the U.S. objections to sales to Belgium of CF-100's fitted with this equipment might soon be waived provided proper security arrangements could be made.

10. *The Cabinet* noted the report of the Acting Minister of National Defence on the discussions with Germany concerning sales of F-86 aircraft and training of German aircrew in Canada, and agreed that the negotiations be continued on the basis of Canada training 360 aircrew, provided an order for 225 Sabres was negotiated by Germany with

Canadian industry; the financial arrangements to be agreed between the Ministers of Finance and of National Defence.

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509. DEA/50030-U-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en République fédérale d'Allemagne

Secretary of State for External Affairs
to Ambassador in Federal Republic of Germany

TELEGRAM DLDL-224 Ottawa, September 14, 1956

CONFIDENTIAL. IMMEDIATE.
Repeat NATO Delegation Paris (Important) (Information).

TRAINING IN CANADA OF GERMAN AIRCREW AND PURCHASE BY GERMANY OF CANADIAN AIRCRAFT

Text is given below of note for earliest submission to German Government containing proposal to train in Canada 360 German pilots to RCAF wing standard on understanding that Germany will purchase 225 Sabre aircraft in Canada. Cabinet decided on September 6 that negotiations to this effect be initiated and that financial arrangements for the air training should be agreed between Ministers of Finance and National Defence. These Ministers have agreed that the charges made to Germany for the training should be based on the estimated cost of maintaining the air training establishment for the additional period of 8 or 9 months when it will be used exclusively for German training.

2. You should explain to German authorities that the sum of $12 million consists of the estimated out-of-pocket expenses involved in prolonging the operation of the air training establishment but does not include any charges for overhead and therefore involves a considerable element of what is in effect Mutual Aid in the charges made in connection with this proposal, as the estimated cost of training a pilot in Canada is in the neighbourhood of $75,000. For your information, we are accepting the overhead costs but not charging for them; they will be borne by RCAF and will not appear in our accounts as Mutual Aid.

3. Details of the entry schedules, physical standards, etc. will be processed through military channels as soon as the agreement is approved. The smooth operation of the scheme would undoubtedly be assisted if Germany would arrange to station a suitable liaison officer in Ottawa at the earliest convenient time, a point which you might mention to the Foreign Ministry.

4. In the near future, probably next week, General Foulkes expects to obtain the concurrence of the Standing Group in this bilateral agreement, but you should proceed with the submission of the note on the assumption that this concurrence will be forthcoming. We will ask Mr. Wilgress to make an announcement in the NATO Council as soon as possible after agreement with the German Government has been reached, and immediately following this step, we propose that a statement be released to the press simultaneously in Bonn and Ottawa. As soon as German acceptance of the proposal has been received would you please notify both Mr. Wilgress and us. We will take up separately with you the question of the press release, whose wording and time of release we will ask you to coordinate with the German authorities.

5. For your information, we consider it urgent that this matter be handled with the maximum possible despatch, since the timing of the placing of a German order for Sabre aircraft is of considerable significance to Canadair Limited, as you possibly have already gathered from Mr. Notman. If you have not already done so, it would be profitable to discuss the situation with him. The German authorities should be requested to give a letter of intent to Canadair at the same time as they accept our proposal.

6. The text of the note to the German Foreign Minister is as follows: Begins:

"Excellency,

It is the understanding of the Government of Canada that the Government of the Federal Republic of Germany intends to purchase 225 Sabre VI aircraft in Canada from Canadair Limited and consequently desires that the Government of Canada make available to trainees of the German Air Force certain pilot training facilities from within the resources of the Royal Canadian Air Force to accommodate an intake of up to 360 student pilots.

The Government of Canada will in the near future have fulfilled its commitments to provide aircrew training to assist in the build-up of the air forces of certain of the parties to the North Atlantic Treaty and recently decided to divert facilities now employed in this way to purposes related to the defence of North America within the framework of the North Atlantic Treaty. However, the Government of Canada, being aware of the urgent problems facing the Government of the Federal Republic in building up its air force and having in mind the intended purchase of Canadian aircraft by the Government of the Federal Republic, has recently reviewed its air training plans and is prepared to postpone the closing down or diversion of certain air training facilities now employed in NATO aircrew training for a period sufficient to implement the proposal contained herein for the provision of pilot training for the German Air Force.

The Government of Canada wishes to emphasize that if this proposal is accepted its implementation will result in a delay in the formation of additional operational squadrons which the Government of Canada has agreed to establish. The appropriate NATO military authorities will be requested to concur in this delay if the proposal of the Government of Canada is accepted by the Government of the Federal Republic.

The Government of Canada is prepared to accept German trainees in the present NATO air training scheme as soon as vacancies occur from the completion of the training of other NATO candidates, and is also prepared to prolong the operation of the present NATO air training establishment for the period necessary to complete the training of the 360 trainees provided the Government of the Federal Republic reimburses the Canadian Government for the additional costs of maintaining this establishment for the required period of time. The Canadian Government is prepared to determine in advance the amount to be reimbursed as $12 million.

The detailed terms and conditions of this offer of training by the Government of Canada are shown in Appendix "A"† to this note. These are based upon the practice developed in the training of other NATO pilots in Canada.

Insofar as they are not inconsistent with this proposal, the provisions of the agreement between the parties to the North Atlantic Treaty regarding the status of their forces, signed on June 19, 1951, shall govern the relations between the Governments of Canada and the Federal Republic of Germany as receiving and sending states with respect to members of the German Air Force present in Canada pursuant to this proposal and the status rights and obligations of such Force and its members.

If the foregoing is acceptable to the Government of the Federal Republic of Germany, I propose that this note and your reply to that effect shall constitute an agreement between our governments, to become effective on the date of your reply.

Accept, Excellency, the renewed assurances of my highest consideration." Text Ends.

7. Appendix "A" is going forward by air bag. In view of the urgency of this matter, you should not await the arrival of the appendix in order to submit the note but if necessary explain to the Foreign Minister that the appendix will follow shortly. In connection with the appendix, you should stress that its terms are based on the practice developed in Canada for the training of pilots from other NATO countries.

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510. DEA/50030-U-40

L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs

TELEGRAM 291 Bonn, October 3, 1956

SECRET. IMPORTANT.
Reference: My Tel 286 Sep 28.†
Repeat NATO Paris 25 Important from Ottawa (Information).

PURCHASE OF CANADIAN AIRCRAFT BY GERMAN AIRFORCE AND TRAINING OF GERMAN PILOTS IN CANADA

We have as yet received no reply from the Foreign Office to our note of September 17. I saw Hallstein on October 1 (the Foreign Minister is away ill) and impressed upon him once again the need for a speedy decision on the part of the German Government. He promised to do his best to expedite the matter.

2. Meanwhile Dr. Rust of the Defence Ministry and General Kammhuber continue to assure the Air Attaché and Davis of Canadair that we should have no cause for concern as there will be no difficulty in the Parliamentary Committee when this matter comes up for approval and thereafter it should be possible to proceed rapidly with the intergovernmental agreement and the order for planes. The Defence Ministry claim that their draft of an interim reply to my note of September 17 was sent to the Foreign Office last week and are at a loss to explain what they consider Foreign Office delays. No doubt part of the delay is due to bad coordination between German government departments which has been conspicuous in their handling of this matter. At the moment it is not clear whether we are to expect an interim reply to our note or whether, if the Parliamentary Committee approves the project at its meeting on the 4th or 5th of October, we may then expect a final reply which would constitute an intergovernmental agreement with subsequent arrangements for notification to NATO and for simultaneous public announcement as we had foreseen. At that stage Davis hopes that either a letter of intent or the contract itself for the purchase of the planes would be signed. Some element of doubt remains as to the timing and procedure which the German authorities intend to follow and Davis of Canadair is getting somewhat nervous in view of the fact that Canadair have apparently delayed the dismissal of 400 employees who would otherwise be supernumary and have gone forward with orders for raw materials necessary if the purchase is to go through. They have taken these steps on verbal assurances from the Defence Ministry and are naturally anxious to have something

in writing as soon as possible. Davis has made it clear to the Defence authorities that delay in signing a letter of intent or contract may involve delay in delivery dates of planes in Germany.

3. Meanwhile the whole question of German defence orders is being much discussed in the press and in political circles here. The government is being strongly criticized not only by the opposition but by Dr. Jaeger CSU Chairman of the Bundestag Defence Committee, for its reported decision to place orders amounting to approximately DM 3,300 million for American armoured vehicles, tanks and self-propelled guns. Criticism has been along the lines that a strategic reappraisal should be extended to armaments and these American weapons are already obsolescent and will be obsolete when finally delivered. Despite optimism of the Defence Ministry that the proposed order for F-86's will go through the committee smoothly there remains in our view some possibility that it might also become controversial politically in view of the present tendency to criticize the Defence Ministry's procurement programme. Surprisingly enough there has so far been no leakage in the press here regarding the order for F-86's but it would not be too surprising if some leakage did occur after the debate in the Parliamentary Committee.

[C.S.A.] RITCHIE

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511. DEA/50030-L-12-40

L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs

TELEGRAM 301 Bonn, October 9, 1956

CONFIDENTIAL. IMMEDIATE.
Reference: My Tel 291 Oct 3.
Repeat NATO Paris 30 from Ottawa (Information).

PURCHASE OF CANADIAN AIRCRAFT BY GERMAN AIRFORCE

I have today received an undated note under Brentano's signature which constitutes an interim acknowledgement of my note 100 of September 17. The note repeats the operative part of my note and continues: Text Begins:

To my regret the final and concrete answer cannot yet be delivered, as it requires the prior approval of the Bundestag and the budgetary approval of the Finance Ministry. However, because of the urgency, I should nevertheless like to inform Your Excellency now that the Federal Defence Ministry, under the proviso of the required approval, especially that of Parliament, agrees to the proposal and also intends to purchase the 225 aircraft of type Sabre VI. The Defence Ministry will begin the necessary preliminary work following agreement between the appropriate German and Canadian agencies, including the firm of Canadair.

In the circumstances I may assume that it is your opinion, too, that publicity in the German and Canadian press about this anticipated agreement should only occur *after* the official approval of the German Bundestag.

The Defence Ministry is engaged in taking steps without delay to fulfil the above-mentioned provisions.

As soon as these provisions are met I shall not fail to transmit to you a final answer which then, in accordance with your proposal, would form part of an exchange of notes. Text Ends.

2. Although the possibility of some hold-up cannot yet be excluded, I think this authoritative statement of the positive intentions of the Defence Ministry is encouraging.

3. In connection with your telegram DLDL 285 of October 2† you will note express German request that publicity be avoided until approval has been obtained here for agreement. I would hope that *Financial Post* could hold off for at least one more week.

[C.S.A.] RITCHIE

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512. DEA/50030-U-40

L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs

TELEGRAM 332 Bonn, October 26, 1956

CONFIDENTIAL. IMMEDIATE.
Reference: Your Tel DLDL 376 Oct 25.†

CANADIAN-GERMAN AIRCRAFT AND TRAINING AGREEMENT

Despite regular and maintained efforts over past weeks we cannot ascertain when conclusion of agreement is likely. There is an uncertainty among government financial authorities whether funds for purchase of aircraft and costs of pilot training can be committed by approval of Bundestag Defence Committee or would require approval of plenary Bundestag. Committee has already taken favourable note of General Kammhuber's plan for German Airforce including purchase of Sabre VI aircraft and pilot training in Canada. Probably Committee's formal approval could be obtained as soon as detailed plan is presented to it on paper. Approval of plenary Bundestag might take considerably longer, however, not repeat not because of any foreseen position but because of problem of getting it on parliamentary agenda and passed before, perhaps, months have passed. Today an interdepartmental meeting of officials concerned could still not repeat not agree on the required parliamentary procedure.

2. With reference to possibility of Mr. Campney's statement on Monday I am afraid it is clear that we cannot expect conclusion of agreement so soon.

3. Although impossibility of getting authoritative info on prospective timing for agreement is most frustrating, I can see no repeat no reason to doubt that German Government has every intention of proceeding with the purchase of Sabres and training of pilots whenever the ceiling of red tape lifts. Canadair people here are satisfied with progress of contract negotiations and German Airforce is as impatient as we are to get on with it.

4. I will let you know about prospects for concluding agreement as soon as I can, with confidence, do so.

[H.A.] STEPHENS

513. DEA/50030-L-12-40

L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures

Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs

TELEGRAM 397 Bonn, December 18, 1956

CONFIDENTIAL. IMMEDIATE.
Reference: My immediately preceding tel.†

AIRCRAFT PURCHASE AND AIR TRAINING AGREEMENT

Text Begins:

"Excellency

I have the honour to refer to my communication of October 3, 1956, in which I took the opportunity to inform you of the German intention, provided the required approval was obtained, to acquire 225 aircraft of the Sabre VI type in Canada.

Since I have just been advised that on December 7, 1956, agreement was reached about the text of an appropriate purchase contract between representatives of the Federal Defence Ministry and the Federal Finance Ministry on the one side and representatives of the Canadian firm on the other and that the formal procedure for the signature of this contract presumably would take only a few more days, I am in the position to inform you that the Government of the Federal Republic of Germany gratefully accepts the proposal of the Canadian Government to train Germany student pilots in establishments of the Royal Canadian Air Force under the conditions set forth in your Note number 100 of September 17, 1956, and in Appendix "A" attached to the Note.

I have the honour to confirm that this Note in conjunction with your aforementioned Note number 100 of September 17, 1956, and with Appendix "A" of the Note constitutes an agreement between the Government of the German Federal Republic and the Government of Canada which enters into effect on the date of this Note.

I take the opportunity to express the satisfaction of my government the conclusion of this agreement which will contribute to the further strengthening of the friendly relations between Canada and the Federal Republic of Germany in the spirit of the Atlantic cooperation. Accept, Excellency, renewed assurances of my highest consideration. Brentano" Text Ends.

[C.S.A.] RITCHIE

SECTION F

TURQUIE
TURKEY

514. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], January 18, 1956

Present

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Health and Welfare (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

. . .

MUTUAL AID TO TURKEY; SHIPPING CHARGES ARREARS (PREVIOUS REFERENCE SEPT. 29, 1955)[23]

11. *The Minister of Defence Production* recalled that it had been agreed to pay shipping charges on mutual aid sent to Turkey after September 29th, 1955, but decision had been deferred on payment by Canada of the unpaid charges on cargoes shipped prior to that date. These amounted to $424,000. Because of Turkey's difficult financial position, the shipping lines involved had not been able to obtain payment. If the arrears were now paid by Canada, however, these lines would be prepared to accept a 10 per cent reduction on past freight and give a reduction from the new higher rates prevailing after January 1st of the present year. Accordingly, he recommended, with the concurrence of the Minister of National Defence, that 90 per cent of the arrears in freight charges amounting to $381,000 be paid for mutual aid cargoes shipped to Turkey before September 29th, 1955.

12. *The Cabinet* approved the joint recommendation of the Ministers of Defence Production and National Defence and agreed that payment of $381,359.98 be authorised from mutual aid funds in full settlement of arrears of freight charges on mutual aid cargoes shipped to Turkey prior to September 29th, 1955.

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[23] Voir/See Volume 21, Document 161.

(An order in council was passed accordingly; P.C. 1956-111, Jan. 18)[24]

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2e PARTIE/PART 2

RÉUNION MINISTÉRIELLE DU CONSEIL DE L'ATLANTIQUE NORD, PARIS, 4-6 MAI 1956
MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL, PARIS, MAY 4-6, 1956

515. DEA/50105-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, April 20, 1956

RE-EXAMINATION OF ARTICLE 2 ACTIVITIES IN NATO

Two general conclusions seem to emerge from the re-examination of Article 2 activities which has been taking place in NATO and in certain national capitals, including Ottawa. The first is that a firm conviction exists in at lease some member governments, and in some considerable sections of parliamentary and public opinion in nearly all NATO countries, that much more needs to be done to strengthen the diplomatic, cultural and economic ties between member countries, particularly in the light of present Soviet policies. The second general conclusion is that very few practical proposals have been put forward in responsible quarters as to how this might be done within the existing framework of the Organization (which no person in a responsible position has yet suggested altering in any radical way).

2. There are of course many indications of the widespread feeling that a new impetus and to some extent a new course are required if the alliance is to retain its effectiveness. The recent speeches of Mr. Gronchi, Dr. Adenauer and MM Mollet and Pineau come to mind at once in this connection. General Gruenther and Lord Ismay both emphasized this theme at the recent SHAPE commemoration. Semi-official groups such as the NATO parliamentarians and non-official bodies such as the Atlantic Treaty Association, together with a considerable section of the press, have sounded the same note. The U.K. permanent representative suggested to the Council that consideration of what might be done to further the aims of Article 2 should become a major NATO objective for 1956, comparable to the 1955 objectives of bringing Germany into NATO and bringing about a meeting at the summit. More recently we have learned that Mr. Dulles intends to declare publicly the readiness of the U.S. to "join equally in exploring the possibilities" of NATO achieving a new creative approach to its problems.

3. Despite this widespread and possibly growing sense of urgency, however, specific proposals by governments have been few in number and rather vague in content — as, indeed, they have been since the inception of NATO. You will recall that the Permanent Representatives were instructed in December "to examine and implement all measures"

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[24] Voir Volume 21, les documents 164 et 165./See Volume 21, Documents 164 and 165.

conducive to the closer cooperation envisaged in Article 2 and to consider further the proposals made by Ministers in the course of the discussion.[25] So far, the most concrete action taken was that proposed by the U.K. Government (on the suggestion of the Atlantic Treaty Association) which led to instructions being given to the Secretariat to prepare a factual study setting out briefly what member governments have done or are doing to give practical effect, by whatever means, to the intentions of Article 2. While this study will not attempt to indicate what additional action might be desirable, it is possible that the process of consolidating the information may point to some fields which would repay further study. It is the hope of the U.K. authorities that the study will form the basis for a political reply by Ministers to recent Soviet statements of policy. The text is not yet available.

4. It may be helpful to recall briefly the other proposals and suggestions which have been made in the Council in recent months, without confining attention too narrowly to Article 2.

(a) *General Implementation*. The only specific proposal put forward in December was that of Mr. Beyen (Netherlands) that a body be established within NATO to deal with the economic aspects of Article 2 and to foster cooperation between member countries. This proposal was never discussed in Council, although Lord Ismay said that he disliked the idea because he considered Article 2 activities essentially a responsibility of the Council, and the Turkish Permanent Representative said he thought it might be useful to set up such a body. The French Permanent Representative suggested that national NATO associations might be asked to consider how Article 2 should be implemented. (The Atlantic Treaty Association has in fact taken a thoroughly realistic and responsible attitude on this matter. The suggestion recalls Mr. Wilgress' more limited proposal,[26] made personally to you last summer, that the continuing body of NATO parliamentarians should look seriously, with governmental advice and information, into the question of the possible implementation of the economic provisions of Article 2, as a preparatory step leading ultimately, if all went well, to governmental action.)

(b) *Political Cooperation*. Your own suggestions were the only ones put forward in December: that Ministers should continually ask themselves whether the Permanent Representatives were being given the necessary authority and whether the results of their work were being fully used, that more restricted meetings should be held at Ministerial sessions of the Council, and that more time should be devoted by Ministers to the communiqué.[27] The U.S. permanent representative later made two specific proposals: that the Council should issue brief communiqués identifying some of the questions considered at its weekly meetings, and that groups of Permanent Representatives should make a series of visits to other NATO capitals in connection with non-military activities. No action has been taken on either proposal. Recently the Germans have given notice that Mr. von Brentano will make proposals at the May meeting concerning machinery for political consultation. German newspapers have reported that one of the main aspects of his proposals will be a request for the coordination of all political and diplomatic moves of NATO countries which might affect their relations with the Soviet bloc. It may be presumed that he has German reunification and disarmament principally in mind, but no details are available yet as to how he proposes to ensure such coordination. Meanwhile, the Permanent Representatives have steadily increased the scope of their political discussions, and are now having papers prepared on recent trends in Soviet policy, on Soviet economic penetration in underdeveloped countries, and on the new Soviet five-year plan.

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[25] Voir/See Volume 21, Document 237.

[26] Voir/See Volume 21, Document 225.

[27] Voir/See Volume 21, Document 239.

(c) *General Economic Cooperation*. There seemed to be widespread agreement at the meeting in December that member governments should use NATO for developing the principles which should guide them individually and as members of other specialized organizations, while avoiding duplication of function. Among the general suggestions made at that time were yours for periodic discussions at Ministerial meetings on the economic situation and on international economic relations, Mr. Beyen's for a strengthening of links between NATO and OEEC at the Council level, and Mr. Martino's for agreement on the proposed common European market and on collective action to develop the economically weak countries of the alliance. No concrete action has been taken to follow up any of these suggestions, although there will of course be discussion on certain economic matters at the meeting in May.

(d) *Economic Assistance*. There was strong support at the December meeting for the idea that member countries should intensify their assistance to the underdeveloped and uncommitted countries. Suggestions included Mr. Pinay's that NATO should study the possibility of proposing to the U.N. a world plan for underdeveloped countries, Mr. Beyen's that members should give greater support to the SUNFED proposal, Mr. Martino's that members should examine how best to coordinate their resources for this purpose, and Mr. Theotokis' that NATO countries might engage to purchase surplus raw materials from underdeveloped countries. Only two specific proposals have been made subsequently. The German permanent representative suggested the establishment of an international organization, not confined to NATO countries, for the coordination of economic measures with a view to assisting underdeveloped countries through the development of trade. The Italian permanent representative formally proposed that the exchange of information between member countries on their economic assistance activities should be systematized through NATO, and that a body of consultants should be constituted to advise the Council on the best methods of solving assistance problems.

(e) *Cultural and Information Activities*. Several Ministers made general references in December to the need for a more constructive and coordinated presentation of the principles and policies of the Atlantic community, but specific proposals were limited to M. Pinay's for a "psychological action committee", Mr. Beyen's for a body assisted by experts to extend and coordinate NATO's activities in regard to information, and Mr. Theotokis' for a propaganda section charged with foreseeing possible Soviet moves and suggesting ways of forestalling them. None of these suggestions has since been elaborated or submitted to the Council for consideration, and only the Italian permanent representative has said that he saw much merit in them. Mr. Wilgress thinks it unlikely that they will be pursued at the May meeting. The U.K. permanent representative said that he regarded them as impractical in that they did not resolve the difficulty of finding the proper propaganda themes that might be developed on a NATO scale. In addition to this basic difficulty, it is clear that most governments — including those few which have some kind of central coordinating machinery in the information field — regard information policy as essentially a national responsibility, and look on NATO in this context not as an executive but as a consultative agency. At the same time it should be remembered that the budget of the NATO Information Service has been increased this year from about $165,000 to about $280,000, largely because of the support for certain practical projects by U.K., U.S. and Canadian representatives. The Information Committee under Mr. Wilgress' chairmanship has also conducted a useful exchange of views and information on the structure and activities of Communist front organizations and on the effects of recent exchanges of visits between East and West.

5. As this summary shows, the Permanent Representatives can point to very little in the way of practical achievement on the various proposals made at the last Ministerial meeting. Basically, no doubt, this reflects the recognition by governments that Article 2 is primarily a commitment by each individual member to give effect to certain principles, which need not (as your Committee of Five pointed out in 1952) be expressed "always and immediately in institutional terms". If, however, the Atlantic Community concept is really as vitally important as we have hitherto considered it to be, and if the measure of progress is the extent to which public opinion and governments react to political events in an Atlantic way, then the record of the past seven years strongly suggests that the emphasis should more than ever be placed on the essentially political functions of consultation and presentation. Governments must not only consult on questions of common concern, but must be seen to have consulted, and the results of their consultation (except where security considerations or the possibility of complications in other areas of the world preclude) must be made public with the maximum impact upon public opinion. It is in this context that we should consider how the methods of consultation and presentation might be improved.

6. The conclusion to which Mr. Wilgress has been led is that the Council itself is ill-equipped to "examine and implement" all measures conducive to closer political, economic and cultural cooperation. He believes that a fresh effort should now be made to try to establish within the Organization some appropriate machinery where projects can be discussed and a confrontation of views can take place at the working level, leaving to the Council its traditional function of general policy supervision. This might be done either by setting up a new body charged with the study of current proposals or by broadening the terms of reference of existing committees and establishing in the Economic Division a small research section able to cope with Soviet and Western economic developments.

7. This analysis by Mr. Wilgress seems to me to be on the right lines. Essentially what is required is an enhancement of the authority of the Council, so that its voice can be heard and its influence recognized, accompanied by an improvement in the structure of its committees and working groups where the views of governments are examined and if possible reconciled. This would require no amendment to the Treaty (which charges the Council with the consideration of matters concerning the implementation of the Treaty and authorizes it to set up subsidiary bodies as may be necessary); it would be a logical extension of the development which has already taken place in the Organization; and it would seem consistent not only with the views which the Canadian government has expressed in the past but also with the views which have been expressed from time to time by the U.S. and U.K. authorities.

8. In considering how the authority of the Council could be enhanced, attention might first be directed to methods of improving consultation and presentation at the Ministerial sessions, along lines which you have already suggested on more than one occasion. It may be that with the increased importance now attached to non-military consultation, Ministers from other member countries will be more inclined than in the past to consider favourably some increase in the length of these sessions and a somewhat greater degree of informal and frank exploration of policy. There has already been agreement on your suggestions about the drafting of the communiqué at the forthcoming meeting. As regards the Council in permanent session, you might wish to consider the advisability of agreeing, as a first step, to the suggestions recently put forward by the U.S. permanent representative, i.e. the issuing of brief communiqués identifying some of the questions considered at its weekly meetings and occasional visits to other NATO capitals. You might also wish to consider

whether to raise with your colleagues the question of an eventual change in the type of permanent representation on the Council.

9. Experience has demonstrated that discussions in the Council tend to be diffuse and inconclusive unless its members are considering some specific and carefully formulated proposal or statement on which they have been able to obtain clear guidance from their governments. It is important, therefore, that the committees and working groups which are set up to draft such papers should be constituted in the most effective way possible and should be in the closest touch with thinking in the various national capitals. It is perhaps worth recalling in this connection that although the Committee of Five recommended at Lisbon in February 1952 that its functions should be transferred to the full Council, since it was found impossible to make real progress without further consideration of the problems by all NATO members, by September of that year Lord Ismay was suggesting the formation of an Article 2 Committee, and you proposed — and the Council agreed — that working parties be set up to deal with such matters, each at a high level with a Permanent Representative as chairman. It was as a result of this decision that the Working Group on Social and Cultural Cooperation (later the Committee on Information and Cultural Relations) was formed under the chairmanship of the Canadian Representative.

10. It may be, as Mr. Wilgress has now suggested, that some extension or adjustment of this machinery is required. Without in any way excluding this possibility, we have been wondering whether the most practical and immediately effective way of strengthening the committee structure might not be to suggest to the Council that it assign several specific matters of common concern to working groups of officials drawn for the most part for this specific purpose from the national capitals. Such groups need not, and indeed should not, if they are to be of the necessary calibre, contain representatives from all the NATO countries. The idea is rather that they should be formed on the basis of special competence and experience in the subjects with which they will be concerned, much as the working groups of the three Western powers were formed before the two Geneva conferences. On the other hand they should certainly include some representation from the smaller NATO countries, and it should be understood that the results of their deliberations would be submitted to the whole Council for its consideration. I am of course aware that on politically delicate subjects the larger powers might find it difficult to agree to such a procedure, but I think there is enough merit in the idea to warrant further exploration of its possibilities. Merely as an indication of the sort of subjects we have in mind, I might mention German reunification (on which I am sending you a separate memorandum†), the Saar problem, Cyprus and the future political relations of North Africa with the members of the alliance. I should be glad to know whether you think the idea is worth developing with a view to discussing it in Paris.

J. L[ÉGER]

516. DEA/50105-40

Note

Memorandum

CONFIDENTIAL [Ottawa], April 23, 1956

POSSIBLE COMMENTS FOR USE OF THE CANADIAN DELEGATION WHEN ECONOMIC QUESTIONS ARE DISCUSSED AT NATO IN THE LIGHT OF NEW TRENDS IN SOVIET FOREIGN POLICY AND OTHER FACTORS

This paper will be concerned with the significance of the new trends in Soviet Foreign Policy only insofar as they are related to the essential considerations which the Canadian Delegation will wish to bear in mind when the North Atlantic Ministers examine at the May meeting the possible extension of non-military cooperation within the Alliance.

2. The various delegations may differ in their assessment of the growing economic strength of the Soviet Union and of the extent to which this will enable the Soviet bloc to carry out an effective economic offensive directly against the Alliance (particularly in special strategic areas like North Africa) and indirectly in the uncommitted underdeveloped countries. The latter programme may be relatively small in scope at this time but the expansion envisaged in the Sixth Soviet Five Year Plan holds out the prospect of an increasing potential in terms of capital, equipment and technicians to implement a much more ambitious scheme.

3. Possibly the first consideration that individual governments represented in the Alliance should bear in mind in the face of Soviet economic expansion, is the need for each to make a frank and careful inward-looking examination of its own prospects for continuing economic stability and progress and the degree to which it may expect to have resources, both human and material, available to back up a sustained programme of assistance to the underdeveloped areas of the world. In Canada the main interest should continue to lie in balancing the maintenance of economic stability and advancement at home and of course the maintenance of adequate security arrangements with doing its part in providing underdeveloped countries with the volume of resources which they can effectively absorb in strengthening their economies and improving living conditions.

4. It is not to be expected that NATO Ministers will dwell at length on the comparative vigour and soundness of the economies of their own countries. Nevertheless the public in each of these countries and in other parts of the world will inevitably be making comparisons between the rate of development in NATO countries and that which is now under way or contemplated in the Soviet Union. So far Soviet internal economic expansion could be regarded as in part a response to the continuing challenge of the free countries, particularly the United States. In Canada the development of our economy has proceeded with remarkable dynamism although not at as high a rate as the USSR. For Canada this has meant not only industrial expansion as in the Soviet Union but an increasingly satisfactory standard of living as opposed to the Soviet plan which promises little respite for its people in the near future. However, we shall have to work hard to keep ahead, and in some instances reasonably serious corrective measures may be required. The determination of the Soviet to surpass the West in technical achievement has important significance for Canada and other members of NATO. The West will find it difficult to meet on a comparative basis the proposed advances in technical education, particularly in the training of technicians and scientists, which the Soviet hopes to achieve in its next Five Year Plan. The extent to which we will be able to fill our needs for technicians both for domestic economic devel-

opment and for a sustained technical assistance programme must be a cause for some concern in all NATO countries. It will be important to ensure that our educational and training facilities and opportunities are adequate to meet these requirements.

5. While such considerations are not likely to form an active part of any discussions by NATO members, they underlie many of the assumptions on which any new co-operative action in non-military fields will have to be based. Given this we might now consider what specific suggestions the Canadian Delegation may wish to explore at the meeting.

Economic Relations of NATO Members With One Another

6. The formula envisaged in Article II for economic co-operation among NATO countries and for the avoidance of conflicts in economic policies has not been invoked to any extent largely because most of the questions affecting the economic relations of NATO countries with one another can be more appropriately and effectively discussed in other wider international bodies. The view that NATO should discuss economic questions mainly in direct relation to defence programmes has also tended to be generally accepted. However, some of the European countries may decide at this meeting to make rather forceful comments (in terms of the impact on their own economies) on the trade policies of North America particularly the United States. Discussions of this nature may be encouraged by the remarks of the Secretariat in their preface to the Survey of Article II Activities (C-M (56) 45). In this Survey it is noted that three lines of thought suggest themselves:

(a) That we should see whether there are some practical questions in the field of Article II which are not dealt with adequately elsewhere, and which might be handled within NATO without detriment to our work in other agencies. In this connection, it is important that member countries put forward positive suggestions for action.

(b) That we should discuss within NATO, with all the frankness which has characterised our discussion of military issues, the general lines of policy on subjects which come under Article II. This does not necessarily mean that we have to reach complete agreement on those subjects within NATO. But we can at least try — as suggested by the Canadian and other Ministers at the meeting in December last — to thresh out our differences as far as possible so that we can put forward a reasonably common line of approach when we discuss practical issues in other organizations.

(c) That we should be able to announce publicly from time to time that we have discussed these questions and thereby demonstrated our interest in these non-military problems.

7. From our own point of view it is possible that Denmark may use this opportunity to raise the question of Canadian butter disposal policy, although in fact our limited and cautious butter disposal operations cannot be said to have done our European allies any significant damage so far. The United States is of course open to criticism on a considerably broader scale. In the past we have opposed discussion of these questions on the grounds that they should be dealt with in bodies where producers and consumers are more widely represented. However, a number of economic questions of internal concern to the Alliance are mentioned in the Survey and it may not be possible or desirable to deny some of the Europeans the right to at least make reference to difficulties arising out of the commercial policies of other members. You will have seen (in his speech to the Associated Press Convention) that Mr. Dulles came out in a much more forthright fashion than before in favour

of more intimate cooperation on non-military questions.[28] He made particular mention of European integration. (We shall give you a separate note on this subject). His speech may be regarded by the European countries as a promise of wider discussion of economic questions than is practicable or desirable.

8. In looking at possible ways of maintaining the internal economic strength of NATO and its immediate periphery (e.g. North Africa) perhaps some consideration should be given to special economic assistance (beyond mutual aid) for some of the underdeveloped regions within, or on the periphery of, the NATO area, particularly North Africa. If such special assistance were found to be desirable in the common interests of NATO after an examination of the problem it might be necessary to consider whether it might prove possible for some part (say 10% — about $10 to $15 million annually) of our mutual aid should be in the form of non-military assistance to meet essential needs of such special areas. Any suggestion of this kind of initiative would have to be carefully discussed in advance with National Defence and Finance in the Panel on the Economic Aspects of Defence.

Relations of NATO Countries with the Uncommitted Underdeveloped Areas and Countries of the World

9. A discussion of Western aid to the underdeveloped countries may occupy a fair amount of the Ministers' time (particularly since we know that delegations such as the Germans and the Italians have specific proposals in mind). The following points seem to us to be the ones which the Canadian Delegation may wish to raise:

(a) The main object in providing assistance by the West should be the provision of adequate resources to strengthen their economies, improve their living standards, and leave them with the freedom of political choice.

(b) We should not necessarily agree that the recent flurry of Soviet activity has overshadowed the less-publicized aid which has been reaching them over the past few years from the West. We might possibly note that these Soviet activities in the field of aid or trade may not work entirely to our disadvantage since they may frequently increase the resources of the underdeveloped countries. We should stress, however, the importance of maintaining our own proven bilateral programmes of aid at an effective level and point to Canada's decision to continue our support during the second planning phase of the Colombo Plan and our intention to increase our programme this year by about 30%.

(c) It is worthwhile remembering that the recent Soviet activities, in so far as they are easing the marketing arrangements of some of the primary commodities of the underdeveloped countries, makes it particularly important that the surplus disposal policies of the Western countries (and, of course, the United States is the chief country in question) do not unduly aggravate the export difficulties which the underdeveloped countries are facing.

(d) Should Germany, France or the Netherlands suggest that *no* machinery exists by which they can join in these efforts, we can remind them of the small but effective contribution which Norway has provided directly to India under the general auspices of the United Nations. If some of the Europeans press to join the Colombo Plan we can only indicate that the wishes of the Asian countries will in large measure govern our own views towards increasing the membership of the Plan.

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[28] Pour le texte intégral du discours de Dulles, voir United States, Department of State, *Bulletin*, Volume XXXIV, No. 879, April 30, 1956, pp. 706-710.
For the full text of Dulles' speech, see United States, Department of State, *Bulletin*, Volume XXXIV, No. 879, April 30, 1956, pp. 706-710.

(e) If the question of new machinery for co-ordinating or channelling aid to the underdeveloped countries is raised there are several lines of thought which the Canadian Delegation might wish to raise:

(1) Any new machinery should be outside NATO and developed in such a way that the NATO label is not applied to the aid;

(2) The United Nations offers the best opportunities for new international machinery. It is generally recognized the aid from the United Nations would be more acceptable to the underdeveloped countries themselves than bilateral or other narrower programmes; it also reduces the possibility that some of the underdeveloped countries (particularly in the Middle East), which have not displayed the same sensitivity as the uncommitted countries in South and South-East Asia, will be likely to consider that Western offers of aid in reality improve their own bargaining position and that rewards are actually being held out to them on political grounds regardless of real need. You may wish to remind the other ministers of your earlier suggestion that the developed countries freely exchange the "blueprints" of their economic assistance. This is, of course, largely a step towards the co-ordination of aid (which, if accepted by the U.S.S.R., would tend to put their own efforts in a less conspicuous light). There are various ways in which this function might be undertaken, but the discussions regarding them should more appropriately take place in the United Nations (e.g. ECOSOC). Some of the programmes which are now being explored by the International Bank and various donor countries (e.g. Aswan Dam, Canal Waters) may provide a practical opportunity to establish gradually some new United Nations machinery which would give the latter organization an increasing role in the systematizing of aid. This type of co-ordination is not, however, an alternative for increasing the resources of the underdeveloped countries. Co-ordination without more resources will not meet the need. Presumably under the United Nations additional resources can probably best be made available by the creation of a special aid fund with adequate financial support to ensure its effective operation. If you expect that you will wish to emphasize this aspect you may wish to have a further word with the Minister of Finance before the NATO meeting.

(3) There undoubtedly will be a tendency to suggest the creation of new machinery to review economic questions of interest to the Alliance. The Italians have already made one such proposal. Others have proposed a more modest arrangement. President Eisenhower and Mr. Dulles have acknowledged in recent speeches that the time had probably come for a review of U.S. foreign aid policies at least by a distinguished group of U.S. personages. For our part we have taken the line that the creation of a high-powered body under NATO, of the sort envisaged by the Italians, would be a mistake and would give rise to serious misunderstandings at home and abroad concerning the intentions of the various NATO Governments. We have tended to the view that where further activity by NATO is required in connection with specific subjects in which NATO countries have a common interest it would be best to establish small working groups of government officials responsible to the Council. It is appreciated, however, that this device, while probably suitable for dealing with specific practical problems, may not meet the need which some feel for a broad and constructive appraisal in the context of the Treaty, of economic relations among NATO members and of the interests of the members of NATO in the economic development and progress of the less developed parts of the world. In a separate paper consideration is given to the establishment of special working groups to review specific subjects and to the creation of a high level non-governmental group of consultants not attached to the NATO Council to examine

economic relations among members and the interest of North Atlantic countries in the advancement of the underdeveloped countries.

(f) It may be desirable to include in the communiqué some reference (which would have to be very carefully drafted) to the interest of NATO countries in the welfare and progress of the less-developed countries. Mr. Dulles' speech on April 23 suggests that he may have to say a few words after the meeting to justify his promises for greater interest in non-military questions. A carefully worded communiqué might avoid offending the sensitive uncommitted countries and might also reduce the possibility of other less sensitive countries assuming that aid in the future will be provided on a basis which would improve their bargaining position and which would hold out promise of rewards on political grounds regardless of real need. In our opinion any communiqué should be simply an indication that NATO countries as developed countries are deeply conscious of the problems facing the underdeveloped areas and that they will seek to play their part, as they have in the past, in separate bilateral arrangements or in joint co-operative programmes with the underdeveloped countries which may be in effect or contemplated in other international bodies.

Direct Economic Relations Between NATO Countries and the Soviet Bloc

10. The new trend in Soviet foreign policy may create an atmosphere which will have a special significance for trading relations between NATO countries and the U.S.S.R. or the countries in its bloc. It may be expected that very tempting offers may be held out by the Soviet in return for either stronger political links with some of the European NATO members or securing commodities or equipment which their expanding economy requires. It is to be appreciated that some commercial exchanges with the Soviet may have substantial advantages on balance for individual Western countries and it would seem reasonable to take advantage of these opportunities if there is no security risk involved. However, insofar as any of the items which the Soviet are seeking may be of strategic importance, it is to be hoped that no NATO country will enter into any firm agreement with the Soviet bloc without consulting with its partners. Otherwise, by tempting one member of NATO after another the Soviets might bring about that fragmentation of our system of export controls which they are undoubtedly anxious to achieve.

11. Trade between the West and China may have to be viewed in a somewhat different light, particularly since there has been a growing recognition of the difficulties involved in enforcing an effective system of controls on the trade of many items now on the China list but not on the European list. This may not be an opportune time to review these different lists. Some rationalisation of the two levels of control may, however, have to be considered before very long if our control system is to continue to command support and to remain effective.

517. DEA/50105-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, April 24, 1956

DEVELOPMENT OF NON-MILITARY FORMS OF COOPERATION IN NATO

Following up our discussion with you yesterday about what kind of new approaches might be made in the field of non-military cooperation in NATO, especially as regards Article 2, I submit for your consideration a draft of a telegram to Washington, repeated to London, Paris Embassy, NATO Paris and Bonn.

2. You will see that the emphasis in the draft is on seeking to follow up the train of thought started by Mr. Dulles in his speech yesterday when he suggested that the time has come to "consider whether its (NATO's) organization does not need to be further developed, if it is adequately to serve the needs of this and coming generations. If that be the common desire of the NATO member nations, the United States will join eagerly in exploring the possibilities which now beckon us forward."

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM DL-794 Ottawa, April 24, 1956

CONFIDENTIAL. IMMEDIATE.

Repeat London DL-670; Paris DL-430; CANAC Paris DL-408; Bonn DL-109; Brussels DL-63 (Important).

NON-MILITARY COOPERATION IN NATO

We were, as you know, very much interested by Mr. Dulles' emphasis, in his speech on April 23 to the Associated Press Convention, on the necessity for a new creative approach to the problems of the alliance, and particularly by his statement that the United States will join eagerly with other member nations in exploring the possibilities of further developing NATO, if that be the common desire, to serve the needs of this and coming generations. This statement, coming as it does at a time when there is a widespread feeling that a new impetus and to some extent a new course are required if the alliance is to retain its effectiveness, and shortly before a ministerial session of the Council which is to be devoted entirely to non-military subjects, cannot fail to be encouraging to those who believe, as we do, that a strengthening of the political and other ties uniting the member countries is urgent and important. At the same time it is bound to increase the public expectation of some tangible results from the forthcoming meeting, which might recoil if those expectations were unfulfilled.

2. The fact that Mr. Dulles gave the other governments advance notice through the Council of his intention to speak along these lines underlines the importance which he attaches to his initiative. It is not at all clear to us, however, what specific action he expects to follow — whether, for example, he anticipates that the European nations will make proposals as they did in the formative stages of the European recovery programme, or whether he himself may have some suggestions to make to the Council, perhaps as a result of the study of activities related to Article 2 which we understand has been in progress for some time in the State Department. Any indication you may be able to give us before the meeting of his intentions or expectations would of course be very much appreciated.

3. We have ourselves been reviewing various suggestions, including those made at the December ministerial meeting and in the discussions which have taken place since that time between the Permanent Representatives, in the hope of reaching some conclusions as to what further practical measures might be taken by the Council to strengthen the unity and effectiveness of the alliance. Our general conclusion is that the main emphasis must continue to be on the essentially political functions of consultation and presentation — the former in order to ensure, so far as possible, that the policies of governments are based on a common view of the interests of the Atlantic community, and the latter in order to make it clear both to the peoples of the NATO countries and to other peoples and governments that such consultation is an effective and continuous reality. In our view, therefore, the important task at this time is to enhance the authority of the Council, so that its voice can be heard and its influence recognized, and simultaneously to extend or adjust the structure of its committees and working groups dealing with specific problems which are recognized by the governments as of common concern. We do not believe that on balance there would be any advantage in having NATO assume functions which are now being handled in other organizations with wider membership, nor do we believe that public and parliamentary opinion in most member countries is prepared at this time to support any radical extension of NATO's responsibilities, particularly as concerns the implementation as distinct from the formulation of policy. In brief, we consider that the contribution which NATO can now make to the strengthening of political, economic and cultural ties lies essentially in the consultative rather than in the executive field. In the longer term, however, we do attach importance to the encouragement of critical discussion of the idea of the Atlantic community by leaders of parliamentary and public opinion in order to clarify it and to reach a larger measure of agreement as to what is needed and wanted to assure the aims of the North Atlantic Treaty. In this connection we are thinking primarily of such bodies as the Atlantic Treaty Association and the Conference of Members of Parliament from NATO countries.

4. It is in the light of these general conclusions as to what is practicable at this time that we have been giving preliminary thought to two specific suggestions. We have not reached any decision yet as to whether it would be desirable to put them forward even tentatively, in the Council, but we believe that there is sufficient merit in them to warrant at least discussing them informally with our friends.

5. The first suggestion is related to the economic aspects of cooperation between member countries, about which a number of proposals have already been made in NATO discussions. It is, briefly, that the Council should record its concern with economic relations among the member countries, point to the long-standing and friendly interest of the North Atlantic countries in the economic advancement of the less developed parts of the world, welcome the public discussion which has been taking place on these matters in the NATO parliamentary groups and elsewhere, and indicate the willingness of member countries to facilitate the establishment of a group of outstanding non-governmental authorities to

examine these questions afresh under the auspices of the Conference of Members of Parliament from NATO countries.

6. One of the considerations which has led us to think of a re-examination of the problem under these auspices is that such a group, if of sufficiently high calibre, might well produce some new ideas which would be taken seriously by the Council and by member governments, without of course committing them. Another is that it would tend to build up parliamentary and therefore public support for whatever steps it may in fact prove possible to take towards an increase of economic collaboration among member countries. A third is that the Standing Committee of NATO Parliamentarians has already decided to undertake a somewhat similar study without governmental assistance, in preparation for the Conference of NATO Parliamentarians to be held in Paris in November. The knowledge that these broad fields were being explored under the aegis of such an informal and essentially non-governmental body would be less likely to cause concern or uneasiness on the part of outside countries than would the initiation of a similar study by a high-powered group of experts or consultants appended to the Council.

7. The second suggestion which we have been considering has to do with those subordinate bodies of the Council in which the views of governments are examined and if possible reconciled prior to consultation on policy in the Council itself. It seems to us that if the Council's authority is to be enhanced, more care needs to be taken to ensure that problems of common concern to the alliance — and this applied particularly, perhaps, to complex political problems — are considered as carefully as possible at the expert official level. We recognize that a common view on the nature and extent of the Soviet threat has to a large extent developed through such exchanges of information and views in bodies like the Working Group on the Trends of Soviet Policy and Working Group on Comparison of Economic Trends, as well as in the Committee on Information and Cultural Relations. The extension of this detailed and joint examination to other problems of common concern to the alliance would, in our view, be desirable. We are inclined to think that it could be done effectively, however, only if there were a willingness on the part of the member governments, not only to agree to the submission of these problems to joint study, but also to agree to make available for limited periods and for these specific purposes some of their experienced national officials. As an indication of the kind of subjects we have in mind, I might mention German unification and the political implications of economic assistance to areas specially threatened by Soviet penetration which are of strategic importance to NATO.

8. I should be grateful if you take an early opportunity of discussing these suggestions informally with appropriate officials of the State Department (or Foreign Ministry) emphasizing that they are as yet tentative and undeveloped, and that we are anxious at this stage only to have some indication of how they might be received.

L.B. PEARSON

518. DEA/50102-M-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, April 25, 1956

GENERAL REVIEW OF NATO MINISTERIAL MEETING MAY 4-6

In accordance with your wishes an item has been placed on the Cabinet's agenda for tomorrow on the NATO Ministerial meeting with an indication that you would be giving a review of the matters to be discussed.

2. Attached are some notes containing points which you might wish to bring up in such a review.

3. For convenience of reference, a copy of the draft agenda† is also attached.

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

Note

Memorandum

SECRET

GENERAL REVIEW OF NATO MINISTERIAL MEETING MAY 4-6

This NATO meeting which is the regular springtime conference of Foreign Ministers of NATO countries will be held May 4 to 6. It will be concerned only with problems of cooperation in non-military fields. There are no military items on the agenda.

2. NATO is obviously faced with some critical problems which threaten the solidarity and effectiveness of the alliance. These problems arise partly from causes internal to the organization but others arise from external causes. First, the alliance faces certain serious inter-member disputes which, if allowed to develop, will put a strain on the solidarity of the alliance. These include in particular the dispute between the United Kingdom and Greece over Cyprus; the differences between France and Germany over which should have priority — the efforts to reach a general agreement with Russia, including disarmament, or German reunification; the deterioration of the French position in North Africa, and the emergence to independent status of Morocco and Tunisia; the exacerbation of our relations with the Arab world; and the desire of Iceland to terminate its bilateral agreement with the United States.

3. I do not expect that there will be a discussion of the Iceland problem at this meeting because the matter is being allowed to stand pending the elections in Iceland next June. However, I do not see that a discussion can be avoided on the other four problems; indeed, if political consultation is to serve any useful purpose between the allies, I do not think that a discussion should be avoided. The British have told us that they are strongly opposed to NATO intervention in Cyprus and as a result we do not propose to initiate the discussion on this question. It seems improbable, however, that the Ministers can avoid a serious

discussion of a question which is of vital importance to the alliance and I for my part think it would be a mistake if we were simply to gloss over a decisive problem in the Council.

4. This also applies to a certain extent to the question of French North Africa which takes the form, first, of the very great strain imposed on France economically and militarily of putting down what is rapidly becoming a civil war in Algeria; and, secondly, the rapid emergence of Morocco and Tunisia to independence. Morocco especially is of real importance to the alliance and we must make sure that it remains friendly to the West. I am going to suggest, therefore, that we should examine very carefully this question and especially the form of the future relations of NATO with these two vital areas.

5. I do not think that just "washing NATO dirty linen" even in private will of itself help to find solutions to these difficult problems and I would hope that the Ministers might agree to refer some specific assignments to small working groups to try and work out some proposals which could be studied by governments before the next Ministerial meeting probably in December.

6. The problems facing the alliance from external causes, mainly stem of course from the current changes in Soviet policy which we will be examining carefully on the basis of studies prepared in advance by the Permanent Council and the International Staff. The impact of these changes on the alliance may be said to fall partly in the psychological field and partly in the substantive field. Psychologically I suppose the visit of Bulganin and Khrushchev to the United Kingdom, and particularly their encounters with British crowds in Birmingham and with the Labour Party, may have served some good purpose in the interests of the West, if only to bring out into the open some of the more explosive views which I was treated to in private by Mr. Khrushchev in the Crimea. (His implied threat of missiles with H-bomb warheads capable of being launched against any part of the world may particularly serve to remind the public of the dangers of letting down our guard.)

7. But in the psychological field I think it is also important not to overlook the current efforts of the Soviet Union to appeal to the uncommitted countries and neutralist opinion in the NATO countries, particularly in order to discredit NATO. I think therefore that it will be especially important at this meeting to consider how the current Soviet propaganda campaign can best be met through a consistent and concerted information policy. I may have something to contribute in this discussion which I gather I may be asked to lead off. I am in touch with other Ministers particularly interested in this subject and especially M. Spaak who is concerned about the public presentation of NATO aims in the light of the Soviet propaganda offensive.

8. From a substantive point of view the meeting will examine the current Soviet efforts of expansion by political and economic methods, especially in the uncommitted and underdeveloped countries of Southeast Asia and the Middle East. In this connection, the Soviet techniques of economic penetration through aid and trade policies are bound to come up for discussion. I propose to follow the approach which I discussed with the External Affairs Committee that NATO should be regarded as an appropriate forum for discussion of such problems but not for executive action. NATO intrusion into operational activities would cut across existing international bodies whose membership is more appropriate to such functions and would especially conflict with the United Nations which should be the overall coordinating body in international aid activities just as GATT is in matters concerning trade. If there is a strong feeling on the part of other Ministers to go further and consider specific aid proposals to counter Soviet economic penetration in areas of special strategic concern to NATO such as the Middle East, I would propose that this be made a matter for further study and reference back to governments.

9. So much for the general approach to the more important matters to be considered at the meeting. As to the specific items on the agenda, there will of course be the usual report by the Secretary-General on the activities of the organization since the last Ministerial meeting. This will be Item I.

10. Item II will be "The Review of the International Situation in the Light of Current Developments". This discussion will be mainly concerned, as I have suggested, with current trends and implications of Soviet policy; and some of the contentious issues now plaguing the alliance to which I have referred will also come up for consideration. As a sub-head of this item there will be a discussion of the "political and economic questions arising from current Soviet tactics" and I have already indicated the approach which I propose to follow, especially if the question of aid is introduced into the discussion.

11. The third item concerns "The Extension of Non-military Cooperation between NATO Countries". This of course includes not only political consultation but a review of Article 2 activities generally. Here I suppose the most important development to be taken into account is Mr. Dulles' encouraging speech to the Associated Press luncheon in New York on April 23 in which he gave some encouragement to the idea of further developing the non-military forms of cooperation in the alliance and exploring further possibilities under Article 2. As you know, we have already had several studies on these matters since the Ottawa meeting of the NATO Council in 1951. These have been conducted mainly by the Permanent Council and the International Staff but they have not yielded much concrete results. I cannot help feeling that if only to assure parliamentary as well as public opinion generally that everything that possibly can or should be done to strengthen the ties — political, economic and social — of the alliance is being done, consideration might be given to inviting a group of outstanding consultants to make a review of this field. The consultants would have to be outstanding people who would command respect of the stature of Paul Hoffman of the United States or Sir Oliver Franks of the United Kingdom. We might consider approaching somebody like Graham Towers or Dr. McIntosh. To ensure that governments should not be committed in advance of full consideration of the findings of such a group, I wonder whether it would not be worth considering asking the conference of members of Parliament of NATO countries, which in any case is due to meet in the fall, to sponsor such a study, perhaps in collaboration with the Atlantic Treaty Association. Governments would then be free to accept or reject the advice given in whole or in part. At the same time, this kind of study might have a greater impact on public opinion than further efforts through governmental or inter-governmental agencies. This is an approach on which I would hope to consult other Ministers before the meeting and especially Mr. Dulles whose initiative in this matter should not be left, in my opinion, without appropriate response by the other members of the organization.

12. Finally there will be the discussion on information policies to which I have referred and the preparation of the communiqué. I think that there will be general agreement that what the Council reports about its discussions will be just as important, or even more important perhaps, in some ways than the discussions in the Council themselves. Especially, public opinion will, I believe, look for some evidence that efforts are being made by NATO to close its ranks in the face of the new and in some ways more dangerous challenge presented by the current Soviet tactics and policies.

519. DEA/50102-M-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

DESPATCH DL-295 Ottawa, May 11, 1956

SECRET

APPRECIATION OF NATO MINISTERIAL MEETING, MAY 4 TO 5

I though it might be useful to record some impressions of the recent Ministerial meeting, not only as a record of what was in many respects a most important and interesting meeting, but also to point to some of the more apparent weaknesses in NATO and its procedures in connection with the study by the Committee of Three which was launched by decision of the Atlantic Council.

L.B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Note

Memorandum

SECRET [Ottawa], May 11, 1956

APPRECIATION OF NATO MINISTERIAL MEETING, MAY 4 TO 5

It had been recognized before the meeting took place that the Foreign Ministers of NATO would address themselves principally to the consideration of what should be done to further the aims of the North Atlantic Treaty through the development of its non-military activities. Mr. Dulles' speech to the Associated Press in New York on April 23 raised hopes that the cooperation of the United States, if not its leadership, would be forthcoming in exploring the possibilities of developing new ties and relationships between the allies. In the event, the present state of the alliance and its future development in the non-military field proved to be the most important issue around which discussion revolved at the meeting.

2. Mr. Dulles' frank assessment that the alliance "had reached a critical moment in its life" and his insistence that any strengthening of the non-military forms of cooperation should not be at the expense of the military effort so long as the military capability of the Soviet Union, especially in modern weapons, continued to grow did not go unchallenged by the European members of the alliance. They found his views altogether too pessimistic and M. Spaak did not hesitate to say so in his usual forthright language. Pineau — who may have sensed in Dulles' remarks criticism of France in particular — also demurred at Dulles' gloomy but realistic analysis.

3. This reaction, which seems to have been shared by most of the European partners, may have been due in part to the fact that Mr. Dulles did not submit any concrete proposals as to how the concept of the Atlantic community might be further developed and the solidarity of the alliance strengthened. He was emphatic that "there was a time when the Atlantic community could find adequate basis for cohesion in fear — we cannot find cohesion

except in a more positive, more dynamic, association". But all that he and the United Kingdom also were able to offer in working towards this end was the proposal to establish a committee of three Ministers "to advise the Council on ways and means to improve and extend NATO cooperation in non-military fields and to develop greater unity within the Atlantic community".[29]

4. Mr. Dulles, however, made a useful contribution by pledging the full and earnest cooperation of the United States to this study, which, he insisted, should be a searching and thorough one; and by pegging out a few guide lines for further thinking on the subject of what NATO should and should not do in the non-military field. Thus, for instance, he put into bold relief the problem of how far the allies might be prepared to go in restricting their freedom of action by prior consultation on political matters of common interest such as East-West trade or cultural exchanges with the Soviet Union. In the economic field he raised the question of what relationship should exist between NATO and such bodies as OEEC whose membership included a number of neutrals who would object to having the OEEC made an instrument of NATO policy. In the matter of international economic aid he thought NATO should avoid having its trademark put on any aid which might be given to uncommitted countries who might resent such an indirect association with NATO. As regards the relationship of NATO to the U.N., he suggested that NATO should go very carefully in creating, or appearing to create, voting blocs there. This would cause special difficulties for the United States, since the Administration had assured the Foreign Relations Committee of the Senate when recommending the approval of the North Atlantic Treaty that NATO would not be used to form a bloc for voting purposes in the U.N. as this would cause trouble for the United States in other regional organizations such as the Organization of American States.

5. This assessment of the present state of the alliance and where it should go in the field of non-military cooperation brought to light not only the hesitation of the United States and other members in embarking upon any bold new ventures without a very careful survey of the ground in advance, but also brought some of the weaknesses of the alliance and of the internal position of some of its most important members. For instance, M. Pineau was frank in admitting both the weakness of France as a result of the deterioration of its position in North Africa and also because of the internal political situation in France itself. The French Foreign Minister was therefore moved to make an appeal to the other allies to understand the position of his Government on the question of improving its relations with the Soviet Union and to trust its loyalty to the alliance. He recalled that France was more directly menaced than some other NATO members by the threat of subversion since 25 per cent of the electorate, although not necessarily Communists, voted for the Communist Party. As a result, the French Government was under greater pressure to give proof of their peaceful intentions in order to satisfy their own public opinion which had been contaminated by the Communist Party. This may explain the emphasis laid upon such matters as disarmament on which M. Pineau said he had no greater delusions as to the Soviet position than any other ally, as well as on the question of aid to under-developed countries. The very sensitivity of M. Pineau on this matter of East-West relations seemed to most of his colleagues to be closely connected with the forthcoming visit which he and his Prime Minister are to make to the Soviet Union in further efforts to establish their peaceful intentions.

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[29] Les trois ministres étaient Pearson, Lange (Norvège) et Martino (Italie).
The three ministers were Pearson, Lange (Norway) and Martino (Italy).

6. Actually M. Pineau both in the communiqué[30] and in the discussions demurred at references to the primary necessity of maintaining the military strength and vigilance of NATO upon which Mr. Dulles had laid so much emphasis. This, however, brought some sharp rejoinders from his colleagues, especially M. Spaak and Dr. von Brentano of Germany. The latter explained the political difficulties which would face his government in accepting a communiqué with emphasis on rapprochement with the Soviet Union and its satellites so long as that country continued to block the reunification of Germany. Certainly nothing that Mr. Selwyn-Lloyd was able to tell the Council about the visit of Messrs. Khrushchev and Bulganin to the United Kingdom seemed to justify any change in attitude on the part of NATO in the course of vigilance and preparedness which had been asserted in previous discussions on East-West relations.

7. Mr. Dulles' emphasis on the continuing nature of the Soviet military threat also disclosed a significant difference in approach, between the United States and France at any rate, to the general question of East-West relations. While Mr. Dulles said very little on the question of disarmament, M. Pineau left no doubt that the French Government attached the greatest importance to the recent Russian moves on disarmament, and ventured the thought that these may have given sufficiently the appearance of concessions as to constitute another significant propaganda victory for the Soviet Union. This apparently was at least the impression created in some sectors of French public opinion. While Mr. Dulles sounded notes of caution on cultural and other exchanges between East and West, M. Pineau again thought that the West had nothing to lose in taking advantage of the recent changes in Soviet Policy to encourage such visits. There was in France considerable curiosity to find out what was actually happening in Soviet Russia. This curiosity had to be satisfied, and unless responsible citizens were given the opportunity and the means to help meet this need for information, the task would remain the monopoly of the French Communist Party, with obviously unfortunate consequences. Unless the French Government could assure the considerable portion of French public opinion favouring rapprochement with the Soviet Union that obstacles to peace and understanding did not come from the Western powers, but from the Soviet Union, the Leftist force in France might well come to the conclusion that the solution lies in a popular front government. It was precisely in order to prevent such development, M. Pineau pointed out, that the French Government was placing so much stress on its desire for peaceful cooperation, although, he added, he realized that the same problem did not probably exist in other countries of the Alliance.

8. It was recognized that NATO would have to show more flexibility and imagination in developing non-military activities if it was to hold its own with the Soviet bloc in competitive coexistence. The Council, however, showed little enthusiasm for M. Pineau's proposal to meet the new situation by establishing a new body in the U.N. for the promotion of the economic development of the under-developed countries and for the coordination of international economic assistance. The Council preferred to accept the more limited proposal submitted by the Italian Foreign Minister which went little beyond reiterating the terms of Article 2 and instructing the Permanent Representatives to examine economic problems with the assistance of a committee of technical advisers. There was very little if any support for the idea that NATO could or should play an effective role as an executive or planning body for aid to under-developed countries.

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[30] Voir Conseil de l'Atlantique Nord, *Textes des communiqués finals 1949-1974*, Bruxelles: Service de l'information de l'OTAN, s.d., pp. 102-104.
See North Atlantic Council, *Texts of Final Communiques 1949-1974*, Brussels: NATO Information Service, n.d., pp. 98-100.

9. Actually the Council demonstrated that perhaps the most fruitful field for consultation lay in the exchange of information on political problems of common concern rather than economic. A good example was M. Pineau's explanation of the French difficulties in North Africa, in which he drew a sharp distinction between the situation in Morocco and Tunisia, where the French Government had been able to come to terms with responsible representatives of the national movements, and in Algeria, where no such responsible group was at present available or in prospect with which negotiations could be undertaken. However, M. Pineau made it clear that it was the intention of his Government to enter into negotiations for a peaceful solution in Algeria provided they found some reliable group with whom they could do business. This could not be done, however, without first holding free elections and in the meantime military operations had to continue in order to restore order. The aim in Algeria apparently was to establish a basis of co-existence between European and non-European elements of the population through the establishment of some federal system of government which would make it possible to safeguard the interests of minorities.

10. There was also a useful presentation of the problems in the Middle East by Mr. Dulles and the Turkish Foreign Minister and of the Far East by Mr. Dulles, both of which stressed the continuing dangers of Soviet and Chinese Communist penetration by indirect methods in peripheral areas and the need therefore to strengthen counter measures through existing regional security organizations such as the Baghdad Pact and SEATO, both of which were also developing non-military activities to cope with the new forms of Communist threat.

11. However, this exposé of political problems was not developed into really useful consultation because insufficient time was allotted to permit a full exchange of views. A valuable discussion for instance might have taken place had there been time on the problems raised for a number of member governments in regard to the shipment of arms to the Middle East. The Greek Government, for instance, wanted to consult other governments on the granting of transit rights for the shipment of aircraft both to Egypt as well as to Israel. Failing to get any advice on his dilemma the Greek Foreign Minister reserved the right of his Government to take whatever course seemed expedient and indicated that they could not assume responsibility if the decision of the Greek Government had undesirable consequences for their allies.

12. This meeting in fact, more than any of the preceding Ministerial meetings, demonstrated some serious defects in the procedures of the Council, defects which require urgent remedy if political consultation is to be made really effective. Despite the fact that the Canadian Government, prior to this meeting, as on other occasions, had urged that at least three or four days should be allotted to discussions, the Chairman (Foreign Minister of Iceland) in opening the meeting indicated that the discussions would have to be concluded within two days. As a result not only were the most interesting discussions which developed necessarily superficial, but also there was little or no opportunity for the Foreign Ministers to consult one another in private between the formal Council meetings. There was more evidence, however, than at previous meetings that Council members were impatient at the lack of time for discussion and were anxious to correct this situation.

13. Another defect in procedure which became apparent was the lack of adequate consultation between governments in preparation for the meeting. Thus no advance notice had been given of the United States intention to set up a Committee of Three Ministers, nor of M. Pineau's plan for economic development. Indeed, M. Pineau's plan, although not available to delegations before it was launched in the Council, was made simultaneously available to the press for obvious propaganda purposes. Likewise, the proposal for the

establishment of the committee of three was given to the press of the world under the sobriquet of a new "wise man" exercise together with the names of the Foreign Ministers to be nominated before the proposal had been properly discussed in the Council and despite the appeal of the Canadian delegate to keep the matter in confidence to permit proper consultation with the governments concerned as well as within the Council.

14. Another evident defect in Council procedure is the relative infrequency of Ministerial meetings. Thus public expectation is allowed to build up that something dramatic is bound to emerge whenever Ministers meet. An artificial importance is therefore attached inevitably to the communiqué. A more regular attendance by Foreign Ministers at regular permanent Council meetings, especially when questions arise requiring consultation at the highest level between member governments, would remove this pressure for the Council periodically to burst into print through manifestos, and would make consultation on a confidential basis easier and more effective.

15. Summing up, the Ministerial meetings just concluded brought into sharp relief the fact that the prospect of developing effective cooperation in NATO non-military fields depends partly upon improvements in Council procedure; but even more upon member governments taking NATO more seriously as a main agency for their international consultations. It depends also on whether member governments are really serious in exploring and developing new ways of holding the alliance together in the face of the changed international environment. The procedural problems can probably be dealt with without any major change in the structure of NATO and without revision of the Treaty, although these possibilities cannot be ruled out altogether if it is found that the effectiveness of the alliance as a political instrument cannot be obtained without more drastic alterations of its basic instrument and structure. The will to develop NATO into something more important more vital is something that cannot be brought about without procedural changes.

16. The main substantive issue remains to be settled, whether the alliance can successfully adapt itself to a changing international environment in which the cohesive effect of imminent military danger has declined to the point where something more is necessary to ensure close and effective cooperation between member governments in the field of policy. The meeting in Paris found no solution to this issue and gave no ground for complacency or comfort that any such solution will be easy to find. Nevertheless insofar as the discussions revealed weaknesses of the present state of the alliance and offered, through the study of the committee of three, an opportunity to review and re-examine its basic requirements, the Paris meeting served a valuable purpose.

3e PARTIE/PART 3

COMITÉ DE TROIS SUR LA COOPÉRATION NON MILITAIRE
COMMITTEE OF THREE ON NON-MILITARY COOPERATION

520. DEA/50105-F-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DL-517 Ottawa, May 28, 1956

SECRET

Reference: Your telegram No. 793 of May 25.†

COMMITTEE OF THREE — QUESTIONNAIRE

Your thinking is evidently rather similar to ours. We agree that it would be desirable to clarify at the outset what the political aims of the alliance should be in the new international environment before considering the best way to achieve these aims through strengthening NATO in the non-military fields.

2. We have considered the useful ideas that you put forward and have prepared in the broadest terms a draft on the introductory section on political aims which is contained in my immediately following telegram. This embodies many of your ideas and even your words.

3. In the light of this statement of aims, the central tasks of the Committee of Three in the non-military field would appear to include the following main areas:

(1) to recommend to the Council ways and means by which the internal solidarity and unity of the NATO alliance may be strengthened;

(2) to recommend to the Council ways and means by which the relationships of interest and understanding between NATO, and non-NATO governments including the "neutral" and "uncommitted" countries may be strengthened;

(3) while maintaining and developing its strength as a coalition of free states to recommend to the Council ways and means of regaining the initiative by restating NATO's peaceful purposes, and by developing measures by which advantage may be taken of any genuine Soviet willingness to reduce tensions and achieve a durable basis of "competitive co-existence" and ultimately of genuine cooperation with the Soviet world.

4. We would propose to follow this up with some suggestions for a preliminary questionnaire which, together with the statement of aims, you might explore with your Italian and Norwegian colleagues together with Lord Ismay's cooperation in the preliminary work for the June meeting of the Committee of Three.

5. We agree entirely with Lange's view reported in your telegram number 794† that it is desirable for the Committee of Three to develop lines of definite policy on which they could ask the views of the Foreign Ministers but this need not hold up the preparation of some basic questions which will need to be included in any case in any questionnaire. If some preliminary work therefore could be completed before the June meeting, the

Ministers could then have some point of departure if they agreed to use this questionnaire method in their consultations with other Governments.

L.B. PEARSON

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521. DEA/50105-F-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DL-519 Ottawa, May 28, 1956

SECRET

Reference: My immediately preceding telegram.

THE POLITICAL AIMS OF THE ALLIANCE

(1) *The Development of the Atlantic Community.* Before attempting to put forward concrete proposals to strengthen the alliance, we should be clear in our own minds what are the objectives which we are trying to achieve. The avowed long-term aim of the Governments of the North Atlantic Treaty Organization as set out in the Preamble of the Treaty and Article 2 is to create an Atlantic community. This implies a permanent association of free countries for the protection and advancement of interests they have in common, extending beyond a temporary military alliance. The problem is to consider how to tighten the alliance and prevent centrifugal forces from sundering it.

(2) *Closer Political and Economic as Well as Military Cooperation among Members of the Alliance.* In their competition with the Communist bloc of States the Western nations must demonstrate beyond doubt the superior quality and staying power of Western institutions and civilizations. This means that NATO has to attain and maintain military, political and economic power not only equal to but superior to that of the Communist nations through better organization of its intellectual and material resources, its technology, its industrial capacity and its skill. The problem is therefore how to attain the closest possible cooperation among the members of the alliance in order to meet the increasing competition from the Soviet bloc.

(3) *Peaceful Change.* If the Western nations are to compete against the Communist nations and their revolutionary doctrine, they must demonstrate that they do not oppose social change, economic experiment and political reorganization. They must set an example in the preparation of dependent peoples for eventual self-government. On the other hand, the member governments must maintain sufficient strength and political stability to enable peaceful change to proceed by mutual agreement and voluntary cooperation against the challenge of violent revolution. Considering that NATO includes all the major colonial powers of the West except Spain, it is necessary to see whether the governments of the Atlantic community can adopt a reasonably consistent and defensible position in regard to peaceful change, which will make it apparent that NATO is not just an organization for the protection of the *status quo*. Member governments should also be prepared to continue to use their wealth and technical know-how to raise the standard of living of under-developed and uncommitted countries. This does not, however, necessarily mean that the governments should undertake to use NATO for economic assistance and development plans.

The question is how to find a common approach to the problem of peaceful change in the international community.

(4) *The Development Within the Atlantic Framework of Larger Political and Economic Units in Europe.* Two wars have demonstrated the weakness of small nation states as they exist in Europe and have caused their citizens to look to larger units to make their political role more effective. The polarizing effect of the competition between the Soviet Union and the United States has accelerated this process. The attempts at integration, although hitherto unsuccessful should be recognized as intended to bring vitality back to European political and economic life and NATO should encourage these efforts at developing larger political and economic units among European nations especially the development of the Western European Union, or other forms of European integration. The problem is how to create political, economic and cultural unity in Western Europe, within the broad framework of the Atlantic association.

(5) *Harmony Between NATO and the Rest of the International Community.* NATO's interests and influence are not confined to the NATO area. While bringing their own interests into harmony therefore, member governments should also try to ensure that they do not conflict with the broader interests of the rest of the international community, particularly in the maintenance of international peace and security and in working towards safeguarded disarmament. NATO should stand for full cooperation with all members of the international community on the basis of rules of conduct generally accepted by all nations and in respect of basic human rights and should invite the Soviet bloc to accept the same standards as a basis of living together as a cooperative and not just as a co-existing member of the international society. The problem is how to establish NATO's relationship with the U.N. and other international organizations as well as with the Soviet bloc which will ensure that NATO's aims and policies particularly in the maintenance of peace and security are understood and the military system of the alliance is justified.

L.B. PEARSON

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522. DEA/50105-F-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM E-527 Ottawa, May 31, 1956

SECRET

Reference: My Telegram DL-519 of May 28.

THE POLITICAL AIMS OF THE ALLIANCE

Some of the language concerning integration in Section (4) of my telegram might be taken as implying that all well-intentioned schemes of European integration should be encouraged by NATO. It would not appear to be prudent for NATO to give such a blanket blessing to all such projects without some examination of the merits of the different schemes which have been put forward. Accordingly I would be grateful if you would revise the last part of that section along the following lines in order to reflect my thoughts more accurately:

"The attempts at integration, although hitherto unsuccessful, and still facing considerable difficulties, should be recognized as intended to increase the vitality of European political and economic life. NATO should take a sympathetic interest in such movements and should encourage them where it is evident that they will effectively strengthen Europe and not impair relations within the alliance. The problem is how to promote political, economic and cultural unity in Western Europe within the broad framework of the Atlantic association."

L.B. PEARSON

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523. DEA/50105-F-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET Ottawa, June 8, 1956

SUMMARY OF BRIEFS — DISCUSSIONS IN WASHINGTON WITH MR. DULLES

This memorandum attempts to bring together the principal points which have emerged in our preliminary departmental studies of the problems facing the Committee of Three. In view of the implications of the work of the Committee of Three and the preponderant role of the United States in the alliance, your discussions with Mr. Dulles obviously have great importance.

2. One of the principal elements of the study of the Three Ministers is to determine and report on how far the various members of the alliance are prepared to go in strengthening the non-military aspects of NATO and in maintaining the unity of the Atlantic community. It is also essential for the Ministers to diagnose accurately the present weaknesses and difficulties of NATO before prescribing specific remedies. For these reasons it is assumed that the main purpose of the present visit is not to present solutions at this stage, but rather to explore informally with the United States authorities how their own thinking on this whole problem is developing and what kinds of action they themselves contemplate being able to take to assist the Committee of Three in its difficult task.

3. The following comments, which are based on the detailed papers contained in the brief, it is hoped will be of assistance in your discussions:

A. *Method of Work*

No special comments supplementary to our memorandum of June 6† would appear to be required under this heading. See item 9 in your brief.

1. *Background and Aims of Committee of Three Study*

Under this heading the most important question would appear to be to determine as clearly as possible the limits which in the American view should apply to the study. From Mr. Perkins' visit it appears that Mr. Dulles considers that the Committee members should not limit themselves to a re-examination of NATO in its non-military aspects, but should consider the general position of "the West" in the face of the new challenge presented by the Soviet emphasis on competitive co-existence. In addition to the limitations of time at the disposal of Ministers, there is the question of the authority of a sub-committee designated by NATO to establish contact with and comment on the many regional and multilateral organizations which would be affected in any broad overall study.

4. Such a clarification, however, should bring out a clear indication from Mr. Dulles of the nature of the weaknesses and of the difficulties which face NATO and the various institutions of the Atlantic community at the present time (there is a brief† on some of the comments at the last Council session).

5. The point of departure in the paper on the background and aims is that the new developments in the Soviet Union are based upon a continued reliance by the Soviet Union on modern armaments and vast forces, coupled with new and more varied methods and a more flexible diplomatic and economic approach. NATO must develop initiatives with this more flexible and more complex Soviet policy firmly in mind.

6. Under these circumstances what are the central tasks of the Committee of Three? It is suggested that in the overall framework of the non-military field, these tasks are fourfold:

(i) to define the political aims of the alliance in the light of current Soviet tactics;

(ii) to recommend to the Council ways and means by which the internal solidarity and unity of the NATO alliance may be strengthened;

(iii) to recommend to the Council ways and means by which the relationships of interest and understanding between NATO, and non-NATO governments including the "neutral" and "uncommitted" countries may be strengthened;

(iv) while maintaining and developing its strength as a coalition of free states to recommend to the Council ways and means of regaining the initiative by re-stating NATO's peaceful purposes, and by developing measures by which advantage may be taken of any genuine Soviet willingness to reduce tensions and achieve a durable basis of "competitive co-existence" and ultimately of cooperation with the Soviet world.

7. The paper on NATO and the U.S.S.R.[31] takes the view that the unity of the NATO alliance will depend upon our willingness to avoid rigid defence positions and take the initiative with the Russians for the settlement of outstanding East-West problems. The paper suggests that possibly the institution of the Council of Foreign Ministers could be revived, but not before there has been a clarification of the aims of the West with respect to such problems as the Middle East, German reunification, disarmament and European security.

2. *Political Aims of the Alliance*

8. A preliminary statement has been prepared as a basis for the discussion of the Three Ministers in Paris (see particularly Ottawa telegrams No. DL-519 of May 29 and No. E-527 of May 31 to the Delegation in Paris). This draft sets forth the following problems:

(i) to consider how to tighten the alliance and to prevent centrifugal forces from sundering it;[32]

(ii) to attain the closest possible cooperation among the NATO members in order to meet the increasing competition from the Soviet bloc;

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[31] Voir Volume 23, Chapitre 3, 6e partie, section C.
See Volume 23, Chapter 3, Part 6, Section C.

[32] Note marginale :/Marginal note:
This should be a task of the Council not an aim of NATO. [L.B. Pearson]

(iii) to find a common approach to the problem of peaceful change in the international community, and to make it apparent that NATO is not just an organization for the protection of the *status quo*;

(iv) to develop and strengthen the movements towards political, economic and cultural unity in Western Europe within the broad framework of the Atlantic association;

(v) to consider how to establish NATO's relationship with the United Nations and other international organizations, as well as its long-term relationship with the Soviet bloc, with the aim of ensuring that NATO's policies in the maintenance of peace and security are understood and that its military system is fully justified.[33]

Mr. Dulles' views on what the aims of the alliance should be in the present context would be most useful.

3. *Atlantic Community and Other Possible Relationships*

9. The present problem of the structure and composition of the Atlantic community seems to involve primarily NATO's Mediterranean flank.

10. The problem of the Middle East is now as much a matter of concern as was the problem of Western Europe when NATO was founded. How can NATO contribute to stability in that area, the security of which is so vital to the peace of the NATO area? Certainly political consultations on developments would be useful. It has also been suggested that the various forms of Soviet action in the area should be studied with a view to developing counter-measures. Even if final action takes place in other agencies, e.g. the United Nations, use of NATO as a forum for considering and planning main lines of policy would be advisable.

11. It is also necessary to examine the implications for NATO and the Atlantic community of the emergence of newly independent states in the Western Mediterranean area. You may wish to discuss privately with Mr. Dulles the ideas set forth in the memorandum in the brief dealing with French North Africa, NATO and the Mediterranean system.[34] This memorandum proposes that consideration might be given to the establishment of a Western Mediterranean grouping outside the framework of NATO which would include Tunisia and Morocco with the participation of governments with particular interests in the area, notably the United States, the United Kingdom, France, Italy, Spain and Portugal. The suggestion is that such a pact outside of NATO but including certain NATO members would form the counterpart in the Western Mediterranean to the Balkan alliance. If it could be negotiated, it would have an important bearing on NATO's future development, would resolve certain present pressing problems (i.e. the position of Tunisia and Morocco), and perhaps certain future problems as well (i.e. the problems of Algeria and of the relationship of Spain to NATO).

4. *Political Consultation*

12. Here the aim is clearer than the precise methods required to achieve it. The aim is to develop the closest possible coordination of the foreign policies of individual NATO governments on all matters of common concern to the alliance in order to strengthen its cohesion. The means must be based upon the development of a continuous interchange of information and views between member nations which still retain their ultimate freedom to

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[33] Note marginale :/Marginal note:
another task [L.B. Pearson]

[34] Voir/See Document 337.

differ and to negotiate their differences. When the NATO Treaty was before the United States Senate Committee on Foreign Relations, as the memorandum† in the brief indicates, a restrictive interpretation was placed upon the concept of "consultation". In practice, however, although NATO consultation has developed along less restrictive lines, it still falls short of using NATO as an effective forum for consultation. It would be worthwhile to sound out Mr. Dulles on the following main principles:

(i) consultation in the form of informal exchanges of information between allies should be regarded as a normal and continuous diplomatic practice;

(ii) no NATO government should adopt a firm policy on major matters of concern to the whole alliance without early and previous consultation with other members of the alliance;

(iii) after such consultation has taken place, each member government should, in determining its own policy, take fully into account the views of other members, particularly those more directly concerned;

(iv) in all matters having to do with the basic question of NATO-Soviet bloc relationships, the aim should be to develop an agreed framework of general policy and, where practicable, an agreed basis with respect to national policies on specific issues.

13. As a major power in the alliance with global interests, it is essential to know how far the United States is prepared to go in developing political consultation within NATO.

14. At the same time there are certain limitations which will have to be observed if NATO is not to overtax its capacities, and avoid duplication in matters which are being dealt with, or can be dealt with more effectively in the United Nations, or through other processes of consultation. Consultation on a NATO basis should observe the following guide posts:

(a) NATO consultation should not be on an *exclusive* basis, in matters where the interests of others are also affected.

(b) NATO consultation is not intended to replace the use of regular bilateral or multilateral diplomatic channels, but to supplement them; the special obligations of the major Powers on certain issues, as well as their responsibilities to NATO, should be kept in mind.

(c) NATO governments are members of other associations, e.g. the Commonwealth, O.A.S., Messina Group, and procedures for inter-group consultation must always be borne in mind.

(d) Individual NATO governments should take steps to ensure that their actions and attitude in these other bodies do not conflict with NATO objectives, and vice versa.

(e) NATO is not a "bloc"; it is a framework of obligations and a pattern of procedures which assist its members to carry out their obligations towards one another under the Treaty, towards other governments with whom they are associated for other purposes, and towards the continuing challenge of the Soviet "bloc" which is the main reason for NATO's existence.

(f) On the assumption that political consultation in NATO should aim at the closer coordination of the foreign policies of NATO governments the willingness of certain NATO governments to introduce into NATO subjects for them domestically difficult, should be matched by the willingness of the other NATO Powers to accept the logical consequences, corresponding to their responsibilities and powers, of such concerted discussion.

(g) While NATO should not complete with or take the place of other international bodies with accepted responsibilities and machinery to conduct those duties effectively, presumably "operations" by NATO would be confined to those fields which, like the military field, are clearly the responsibility of "NATO as such".

(h) It might be borne in mind that the distinction between the military and the non-military aspects of NATO should not always be too closely drawn. Unlike other international organizations — the U.N. for example — the North Atlantic Council has available to it the combined military wisdom of the Western powers. If, therefore, the Council were examining a question such as the attitude to be taken towards the Cyprus question or the problems of disarmament, it could with advantage have before it military "appreciations". To carry this point a step further: the Council, if discussing Cyprus, would start by examining a standing group paper on the strategic importance of Cyprus to NATO.

Special Problems (Disarmament; Cyprus)

15. It is suggested that in discussing the question of disarmament it should be made clear that we are not proposing that the disarmament problem be removed from its United Nations context and the Sub-Committee to the NATO forum, and that the NATO members of the Sub-Committee would be put in a difficult position if they were obliged to clear their policies at all stages in NATO before taking up positions in the Sub-Committee. At the same time, there is scope for NATO reviewing this problem of disarmament from time to time, particularly in connection with the implications of Soviet moves and propaganda positions.

16. On the question of Cyprus, the important point, it is suggested, is that in raising the question whether NATO can properly and usefully discuss serious internal conflict such as the Cyprus question, the Committee of Three is not itself intervening in the dispute or proposing any specific solutions. Nor is it contemplated that the Committee itself should have any "operational" functions in respect of the Cyprus dispute. In this connection, you will wish to bear in mind Mr. Robertson's latest report from London (telegram No. 748 of June 7†) in which he states that he cannot find any evidence to support press reports that the United Kingdom Government is considering consulting NATO in connection with Cyprus and recommends that we should continue our present policy of non-interference in the current mood of United Kingdom Ministers. The problem of Cyprus in the context of the Washington discussions, therefore, is raised as an illustration of the kind of problem which NATO cannot ignore if the coalition is to avoid being weakened by serious internal problems.

17. Finally, and of great importance in this field, it is important for NATO to adopt an enlightened approach on the broad lines of the colonial problem, and to avoid being identified as the last-ditch defender of the "status quo". This is a problem which could divide the colonial (i.e. the European powers in NATO) from the non-colonial powers (Canada and the United States), and is one on which a frank indication of United States views would be most important. In blunt terms, if we are to urge a "liberal" policy on France over Algeria, or the United Kingdom over Cyprus, what are we ourselves prepared to do to share in the responsibility?

5. *Economic Cooperation*

18. The economic brief† contains the following elements:

(1) The broad approach represented by GATT and the International Monetary Fund is most likely to strengthen NATO countries and eliminate conflict between them. NATO governments, therefore, should do what they can to make these organizations more effective.

(2) NATO should undertake periodic discussions on general or particular aspects of the current international economic situation and in particular should provide a forum for con-

sideration of Soviet economic activities in various fields, even though such discussion might not necessarily lead to coordinated or agreed policies.

(3) We should welcome OEEC activities not inconsistent with the broad approach referred to above and play a more active part in these activities.

(4) Mr. Wilgress suggested:

(a) New U.S. initiative on convertibility with fresh provision of credit as the main inducement; and

(b) U.S. and Canadian full membership in OEEC.

On (a) it is doubted that even a substantial fresh credit (in addition to the stand-by credits the IMF will in any case make available) would induce the laggard countries to move forward. Lack of reserves is not a principal obstacle in most cases. On (b) the brief questions the wisdom of a North American initiative which might change the present European character of OEEC and lessen its value to Europeans. At the same time it is indicated that both Canada and the United States might be prepared to examine sympathetically a general move in this direction, only if there is a clear indication from the European members that this would be desirable.

(5) The U.S. and Canada should keep fairly open minds on Messina plans and similar regional arrangements until we can study latest version, and until we know the results of the present U.K. re-appraisal.

(6) The U.S.S.R. has put forward proposals in ECE for all-European economic cooperation, probably with the intention of weakening OEEC and NATO. NATO countries should consider how to react to this new offensive.

6. *Social, Information and Cultural Activities*

19. There may not be time to cover this particular field fully. The suggestion in the brief,† however, is that a careful examination should be made of the Reinink report which has been before the Council for some time and which contains many suggestions in these fields, particularly relating to informational and cultural activities. What is required here is a selective approach to weed out proposals which are impracticable and to develop those which show greatest promise. It would also be interesting to learn whether the United States considers that NATO should play a more active part than hitherto in the field of "psychological warfare", including in this field informational programmes directed particularly to the Soviet Union and the satellites, as well as providing within NATO countries and possibly in other areas fuller information programmes to counteract Communist propaganda.

7. *Parliamentary Representation*

20. The brief† argues that the time has come to widen the basis of public support and understanding of the aims of the alliance by increased participation of parliamentary associations. The Council of Europe is primarily a European organization and contains member states which are not members of NATO. Further it is limited by the terms of its constitution from actively discussing military problems. For these reasons, the emphasis in the brief is on giving a more active role to the NATO Parliamentary Conference which exists by creating a NATO Parliamentary Assembly. It is suggested that such an Assembly might hold a joint meeting with the Council which could be addressed by representatives of member governments and the Secretary-General. This would not be to the exclusion of strictly parliamentary meetings which could precede or follow the joint meeting. Foreign Ministers (in certain cases they might even head their national delegations to the parlia-

mentary assembly) could participate in the joint meeting which could be immediately followed by the regular Ministerial meeting of the Council. By a careful scheduling of the timetables, such meetings with the parliamentary component might be held immediately preceding the December "Annual Review" meetings. The further suggestion is made that parliamentary advisers might be attached to NATO delegations in the same way as our own practice and that of the United States in connection with the United Nations Assembly.

21. It may be that the Council of Europe, which is not regarded as a particularly effective organization, would be substantially improved by the adhesion of representation from the United States and Canada. Possibly, the parliamentary delegations from these two countries could develop some closer association with the Council of Europe in the non-military fields which need not cut across the proposal for fuller Parliamentary representation in its relationship to the NATO organization and the NATO Council. This requires further study.

8. *Relationship to Regional Agencies and to the United Nations*

Regional Agencies

22. There should be a careful look at the various European agencies now devoted to different aspects of integration and functional cooperation to determine whether any rearrangement is possible to produce greater efficiency in their operations and to ensure that their work is not incompatible with broader Atlantic interests. We have already commented on the problem of the Council of Europe under heading No. 7, and the economic agencies are referred to under heading No. 5. Within the responsibilities of the Committee of Three it may be possible to examine the role of these various regional agencies, and to make suggestions for bringing at least some of them into a closer relationship with NATO. The objective should of course not be to create an artificial uniformity, and it may well be found at the end of the study that the operation of these different experiments in closer association provides for a much needed flexibility. At the same time, any steps that can be taken to make the present "alphabet soup" more meaningful for the average citizen in the countries concerned is well worth exploring.

NATO and the United Nations

23. One of the major questions on which Mr. Dulles' views will be of interest is NATO's relationship to the United Nations.

24. Three papers† are attached in the brief dealing with the following subjects: the possible submission of reports by NATO to the U.N., the advisability of discussing U.N. issues in NATO, and the problem of the settlement of internal disputes through procedures similar to those contained in the Charter. On the first question of reports, it would seem that in the first instance such reports could only be related to NATO's non-military functions, and it is premature to envisage such reporting until these functions are further developed. On the second question, it is suggested that it would be helpful to exchange views between individual NATO governments on U.N. matters of common concern and, when the opportunity presents itself, to harmonize the views thus expressed as well as to promote consideration by NATO of the kind of action within the United Nations which would best serve the interests of the Atlantic community as a whole. It is not, however, envisaged, in view of the different political and regional problems which face individual governments, that the effort should be made to create a NATO voting bloc, nor is it proposed that there should be indiscriminate discussion of all U.N. items. The basis of such consultation should be the tests of whether or not the matter is of common concern to the members of NATO, and whether such consultation can serve a useful purpose.

25. Perhaps the most important question is whether NATO should develop machinery for the settlement of its internal disputes or disputes between individual NATO governments and third countries. In other words, is specific action required to provide machinery for the implementation of the general undertaking contained in Article 1 of the Treaty? The Organization of American States is a regional organization under the terms of the Charter, and specific procedures are incorporated both in OAS treaty arrangements and in the practices of that organization providing for peaceful settlement of disputes. It is worth considering whether NATO should attempt to establish its position as a regional agency, and if so whether NATO members would be willing to accept the legal and procedural obligations for prior peaceful settlement implied by such a decision. The memorandum which deals with this problem concludes that even if NATO were to establish machinery for the settlement of disputes between members in accordance with the terms of Article 8, this would in no way limit NATO's action to take measures for collective self-defence.

26. Short of action to convert NATO into a regional agency, it is possible to envisage agreement being reached between the members of NATO which would involve the acceptance of special machinery within the organization itself for the mediation, conciliation and arbitration of disputes between members. One step could be taken immediately to relate NATO to U.N. machinery: e.g. special declarations by NATO countries under Article 36(2) of the Statutes of the International Court establishing between themselves a special obligation to submit either all or certain particular legal disputes. Thus NATO countries could claim that through their organization, special use was being made of the main Charter arrangement for the peaceful settlement of disputes.

27. Whether NATO should turn itself formally into a regional agency would depend first on the setting up within NATO of machinery for the pacific settlement of local disputes. According to Kelsen,[35] there can be no regional agency or arrangement without such machinery. The NATO countries would therefore have to find out first whether they would be prepared to make such arrangements. It would be very important to examine whether there are any prospects of establishing procedure say for conciliation or arbitration.

28. If machinery for the pacific settlement of disputes were to be established, then NATO could consider whether it should arrange to be formally recognized as a regional agency operating under the provisions of Chapter VIII of the Charter. The advantage in such recognition is that it would very largely meet the criticism that NATO is in opposition to the Charter: furthermore, should the Warsaw Pact be similarly registered, the way might be prepared for a revival of the Security Council as an effective enforcement agency. The disadvantage is that in the event of an attack against a NATO country, an argument could be made in the U.N. that the NATO countries could not provide assistance unless prior approval had been obtained from the Security Council. It can be argued that Article 51 is overriding and that nothing in Chapter VIII could interfere with the operation of a collective defence arrangement, but there is room for argument.

29. Since Mr. Dulles has already spoken of the possibility of NATO as a regional agency, it might be as well to let him make the running on this subject and, while agreeing that NATO should seek to find ways of settling disputes between its members at an early stage, to leave the precise methods by which this might be done for subsequent study.

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[35] Hans Kelsen, professeur de loi international à l'université de Californie, Berkeley, et auteur de *The Law of the United Nations*, London: Stevens and Sons, 1950.
Hans Kelsen, professor of international law at the University of California, Berkeley, and author of *The Law of the United Nations*, London: Stevens and Sons, 1950.

9. *Method and Procedure for Committee of Three Study*

No summary required.

10. *General Adequacy of Present NATO Machinery*

No summary required.

11. *Need for Reexamination of NATO Military Structure*

30. The brief† argues that since the development of a greater unity in NATO and in the Atlantic community must be based upon an effective and comprehensible military system and strategy, there is a requirement for a further study of the strategic concepts of MC.48 and how they can be implemented with the resources likely to be available in the next five or ten years. Such a study to be effective would have to be sparked by the U.S. because of its atomic role.

J. L[ÉGER]

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524. DEA/50105-F-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 1120 Washington, June 12, 1956

CONFIDENTIAL. IMPORTANT.
Reference: Your Tel DL 1016 Jun 8.†
Repeat London, NATO Delegation Paris (Information).

NATO COMMITTEE OF THREE — PRELIMINARY VIEWS OF MR. DULLES

1. Mr. Pearson met with Mr. Dulles and Senator George in a cordial and informal atmosphere, first at an embassy lunch and later at a two hour meeting in the State Department. At lunch, at which Mr. Knowland (Majority Leader in the Senate) and Senator Green (Senator George's successor, as Chairman of Foreign Relations Committee) were present, the Minister outlined his plans to meet with his colleagues, Lange and Martino in Paris on June 20 to 22 and the programme of work he hoped might be followed. The present talks were intended to find out in an informal way for the information of the committee how far the USA were prepared to go in extending NATO cooperation in the non-military field. He was not in a position to speak for his colleagues. The report, if it were to have practical results, had to be based on what member governments, especially the USA, the UK and France, were willing to do to support the task set by the Atlantic Council at its last meeting. The three ministers were acting as rapporteurs of the Council. He hoped that the report might be drafted by the end of October and then submitted to governments for a first reading at a meeting possibly in New York or elsewhere in the USA in November after the presidential elections. It was particularly important to have the support and active cooperation of the USA in the reappraisal of NATO.

2. While Mr. Dulles had invited Mr. Pearson to make some general remarks at the lunch on the aims of the study, he reserved USA comments until the meeting at the State Department at which Senator George, Livingston Merchant, George Perkins, and Senior State

Department officials were present. Mr. Dulles said he was willing to have the discussion proceed on the basis of the list of questions contained in your message under reference. He also gave Mr. Pearson a general written statement† of his own views on the future of NATO. Mr. Dulles said that he regarded the task of the Committee of Three as one of "utmost importance". President Eisenhower's appointment of Senator George indicated the high importance that the President attached to the task.

3. *Method of Work*. Mr. Pearson outlined in more specific terms the programme and procedures which he intended to suggest to his colleagues at the Committee of Three as he had sketched them at the embassy lunch. He emphasized, however, that the procedures and timetable may have to be changed in the light of the consultations in Paris and circumstances as the study proceeded. One of the methods he had in mind might be to circulate questions to explore the views of member governments. Some of these questions had been incorporated in the list submitted to the State Department in advance.

4. *Background and Aims*. Mr. Pearson in answering Mr. Dulles' comment reminded him that at the last ministerial meeting he had suggested that the committee should interpret the terms of reference in no narrow sense. Mr. Dulles, in indicating the limits of action which the USA administration contemplated setting on this NATO reappraisal, cautioned that these were only preliminary views as Senator George was occupied in his present Senate duties until mid July and the task force set up to study USA views had not yet gotten underway. Generally speaking the scope of the study could be broadly interpreted but should aim to build on the present NATO structure. The USA study was proceeding on the assumption that, while different instruments might be considered for giving expression to the development of the Atlantic community, present USA thinking was that the NATO Council was perhaps the best agency on which to build. In extending non-military cooperation the machinery was flexible, NATO had become a "household word" in the USA and it was difficult to dissociate military from non-military activities. They were considering further alternative possibilities, including the idea of USA and Canada joining the Council of Europe which had the advantage of parliamentary representation. However, the preliminary thought was that the Council had declined in prestige because of discursive tendencies. Consideration was also being given to a possibility of a Super Council on a Ministerial level with a number of subsidiary agencies for military and non-military cooperation but this idea was also not thought to be practical. (At lunch reference had been made to the hearings on the Atlantic Union in the Senate Foreign Relations Committee and despite the apparent enthusiastic support given to the idea of General Gruenther, it was clear from the remarks of Senator Knowland that all that was intended was a completion of the record through hearings both pro and con and that the committee was not expected to issue any report and the proposed resolution.)

5. *Aims re Soviet Bloc*. On the question of whether NATO should recognize itself as a frankly anti-Soviet alliance or should work separately for a détente, Mr. Pearson particularly asked USA views regarding the possible role of NATO in negotiations with the Soviet Bloc. Dulles replied that, while NATO members should not regard themselves as constituting an anti-Soviet alliance but rather as a community cooperating for their own good and for the rest of the international community, the task of negotiation should be reserved for certain governments. The Council was not an appropriate instrument for negotiation although the governments most directly concerned could consult with their allies through the Council. The Council could not as a corporate body become involved in negotiations. Senator George agreed with the suggestion that negotiations should be left to Heads of States although attitudes of NATO members should be examined through the Council.

6. *Statement of Political Aims*. Mr. Dulles suggested that the report might be prefaced by a statement of the reasons for the reappraisal and the conclusions about problems confronting the alliance. This kind of an approach had been in mind when they had drafted the general statement given to Mr. Pearson. Any attempt to restate the political aims of the alliance would give rise to constitutional difficulties for the USA as the Administration might have to go back to Congress for their approval. In any case the preamble of the North Atlantic Treaty would suffice. Senator George in agreeing pointed out that the report might indicate that certain new activities would deem to fall with in the purposes of the Treaty as originally drafted; it would be better not to try to amend it. Mr. Pearson explained that he was not contemplating so much an amendment to the Treaty as an elaboration of how the purposes of the alliance could best be achieved in the present changing international environment, particularly in preserving its unity.

7. *Mediterranean Problems*. Mr. Dulles queried the desirability of setting the Mediterranean political problems aside in a special category for examination as distinct from other political problems which would have to be considered under "political consultations". Mr. Pearson explained that this had been done because of the immediate urgency of certain Mediterranean problems and their implications for NATO, especially in cases of Algeria and Cyprus. The NATO needed to examine the role of what an organization based on the Atlantic concept should be towards the series of difficult problems developing in the Mediterranean. What should be the attitude, for instance, of the organization to the countries now acquiring independence, particularly Morocco and Tunisia. Mr. Dulles doubted whether the Committee of Three in their report should go beyond indicating what these problems were and leave solutions to be worked out through political consultations. Thus, these problems might be listed as illustrative of types of consultations which should be developed on political problems within NATO, and had been so dealt with in the USA general statement.

8. *Political Consultations*. Mr. Pearson referring to the different types of consultations that might be developed in NATO thought it was important at the outset to know how far the major powers, and particularly the USA, were prepared to go. Mr. Dulles said that in his opinion there were two main categories of questions: (a) worldwide policy matters which did not affect NATO members more directly than other members of the international community and; (b) those matters in which NATO members were more directly affected than other members of the international community. Under category (a) he cited for instance Formosa and the USA attitude to Kashmir. While the USA position might have important repercussions for NATO members other countries were even more directly concerned. To undertake an obligation to consult in NATO would duplicate or reduce the consultative procedures of the UN as well as other regional organizations such as SEATO. Therefore under (a) the USA would not think it advisable to regard themselves as under any compulsion to consult even to the extent of exchanging views. However, as in the past, Mr. Dulles would be prepared to expound USA policies and have questions asked on the basis of such statements in order to promote what he called "a more sympathetic attitude towards USA policy". As regards category (b) matters directly affecting the NATO area and therefore of direct concern to member governments, procedures for consultation could and should be worked out. Some of the more important subjects on which the USA Government believed such consultations might take place had been listed in the USA paper. This included first and foremost the unification of Germany, as the policies on this issue directly affected the defence of Western Europe. He thought that there should be an effort to establish a common policy on German unification. It was extremely important also to

develop common lines of policy on specific issues in relation to North Africa since as Mr. Pearson had recalled Algeria was part of the area.

9. *Colonial Problems*. Mr. Dulles doubted the practicability of arriving at any general NATO position on the colonial problem. USA had no clear view at the present, but were inclined to think that the matter should be treated in terms of specific cases such as Cyprus or Algeria which presented certain distinctive aspects of the colonial problem of direct concern to NATO members.

10. *East West Relations*. Mr. Dulles referred to current efforts of the Soviet Union and Communist China to try to make deals with individual allies in order to disrupt the unity of the alliance. He thought that consultations should take place in the Council regarding the responses to Communist initiatives before action was taken. For example, he had been inclined to consult on the invitation to the USA Chief of the Air Staff but in view of the rather precipitous response of the UK and France to similar invitations, the USA had decided to go ahead and accept. The timing of offers now being made of various kinds from the Soviet Bloc had to be dealt with with caution with a view not only to their impact on domestic opinion but also on the public opinion of allied countries where a substantial part of the electorate fell under Communist influence. Mr. Pearson added that it was not only important what allied governments did but also what they said.

11. *Adequacy of Present NATO Machinery for Consultation*. Mr. Pearson suggested that in considering how consultation should be conducted he hoped that governments might agree to set an example by making consultations function without even waiting for the Committee of Three to report. It was better to show how consultations worked by example than by prescription in a report. For instance, if the USA attached importance to consultation on the unification of Germany why not start consultations on this problem without delay. Mr. Dulles in stating that ministerial meetings were too brief, emphasized that they were all that he or any other Secretary of State could manage. He had been under criticism also for being absent from Washington on conferences of this kind. The main question therefore seemed to him to strengthen the permanent machinery. He stressed that the USA administration had complete confidence in its present Permanent US Representative, George Perkins (who was present at the meeting). Dulles said they were considering providing more depth to their representative by making senior officials from the State Department available for discussions on specific topics. As regards German unification, Mr. Dulles said he was receptive to the idea of undertaking consultations so that the German Government could feel that the German Government desired this. In short Mr. Dulles did not see any reason why radical changes should be made in the existing machinery.

12. *Limits on USA Action in Consultation*. Mr. Dulles said that consultation presented a difficult problem to the USA in trying to reconcile effective consultation with allies with quick decisions. He cited the President's reply to Bulganin's first message on disarmament to show how important it was in some instances not to allow consultation to act as a brake on effective action. Since the USA in this case knew through previous consultations on disarmament roughly what the attitude of principal allies were on the issues raised the President undertook to make a quick reply to obtain the maximum psychological effect. He suggested that consultations should not be regarded as an end in itself but only as a means to strengthen and unify the alliance. NATO should avoid becoming enmeshed in what he called "a web of procedures" which might only strain the unity of the alliance. This important end might be served by intimate bilateral talks between governments which would provide a better foundation for spontaneous consultation on matters of common concern. The USA, Mr. Dulles said, "would be willing to go as far as any other country with compa-

rable responsibilities" in the matter of consultations; he added, "even further". Mr. Dulles added, however, that with its worldwide responsibilities, it was, in some cases, more difficult for the USA to consult than it was for other countries and it was important for allies of the USA to bear in mind that as the USA often bore the brunt of the result of their actions, they should likewise keep in mind the importance of consulting the USA before taking action.

13. *Specific Settlement of Intermember Disputes*. Mr. Pearson asked whether Mr. Dulles could throw any light on views which he had expressed about applying OAS type of machinery to NATO for the settlement of intermember disputes or upon the suggestion that NATO might become a regional organization under the terms of Chapter 8 of the UN Charter. Mr. Dulles thought no conclusion had as yet been reached in the USA studies but tentatively the ideas were that (a) it was important that there should be progress in this field since Western Europe particularly had been the source of so much international trouble and had been plagued by disputes and (b) because the enlargement of membership in the UN made the UN the less attractive place for dealing with disputes between members of the alliance because of the increasing influence of the Asian-African nations and (c) that the Charter enjoined members of the UN to use regional as well as bilateral arrangements for settlement of disputes before appealing to the multilateral UN machinery. He was unable to offer further proposals at the present time. Senator George strongly counselled against the establishment of any new machinery which would involve political problems for the USA in having to go back to Congress for possible amendment of the North Atlantic Treaty. He suggested that for the time being at least intermember disputes might be dealt with under "political consultations".

14. *Economic Consultations*. Mr. Pearson suggested that it was difficult to draw a clear distinction between political and economic aspects of policy questions on which NATO might consult. There seemed to be a fairly general agreement that NATO should not become an operating agency which would duplicate or compete with other international agencies such as GATT or OEEC but it was important to decide what kind of consultation should take place on economic questions and what the relationship of NATO should be to other agencies in the economic field. Mr. Dullies said that there was no sense at all in turning NATO into an operating agency in the economic field. He was increasingly concerned, however, that the rapid economic development going on in the Soviet Union in contrast to some countries of Western Europe would put the Soviet Union into a very strong competitive position in relation to the rest of Europe. This would have important political repercussions. It was also necessary to realize that the Soviet system was not operating under the stimuli of economic profit so much as political profit. One of the measures necessary to counter Soviet competitive advantages would be a greater measure of economic integration of Western Europe. Western Europe might well be destroyed as effectively by the Soviet economic challenge as by military aggression. Mr. Dulles said that USA would be prepared to consult on the broad economic factors which bear upon the future of Europe through NATO. They are also prepared to consider on their merits the various initiatives of European integration particularly the Common Market, Euratom and the Coal and Steel Community. The USA particularly regarded with disfavour practices and cartelization as tending toward weakening the economies of Western Europe.

15. *Relation to OEEC*. Mr. Dulles was not fully familiar with the implications of present associated membership of USA and Canada with OEEC. Mr. Merchant and Perkins pointed out the difficulties which would arise through full membership for the USA because this might imply acquiescence in residual discriminatory practices followed by European members in relation to the aid area. The OEEC had been designed to advance the

European interests of its members. For these reasons both Merchant and Perkins maintained that the present relation of Canada and the USA should be retained.

16. *Economic Aid.* Mr. Dulles referred to what seemed to the USA a strong desire of some of its allies to use NATO as an instrument for multilateral economic aid activities on the assumption that perhaps more aid might be channelled in this way to NATO countries. The fact was that Congress was becoming increasingly allergic to multilateral aid where UN or NATO were concerned in handling USA aid; if anything there was preference for UN. In any case it was questionable whether it was desirable to have a NATO label put on economic aid to countries. Senator George went further in saying that Congress preferred bilateral arrangements for channelling USA economic aid since the UN through enlargement of its membership gave the USA voice a diminishing weight in controlling aid programmes. Mr. Dulles suggested that at least UN had the advantage over NATO of sterilizing aid and dissociating it from political and military implications.

17. *Parliamentary Representations.* Mr. Pearson asked what views had been developed on using parliamentary support for NATO activities particularly through the NATO parliamentary associations. Mr. Dulles said that this had proved to be an illusive and difficult problem. Some consideration had been given to the inclusion of Congressional members on NATO delegations but there were obvious difficulties and no specific ideas had been developed.

18. *Need for Reexamination of NATO Military Structure and Strategy.* Mr. Pearson recalled that, while the terms of reference referred only to non-military activities, the development of unity was obviously closely related to the development of a generally acceptable military strategy. Mr. Merchant who was speaking for the State Department (as Mr. Dulles had by this time withdrawn to keep an appointment at the White House) said that while he could agree with the general proposition, he would hope that reference to the military aspect would be kept to a minimum in the report, for this was a bad time for reexamination of military strategy. Procedures for consultation between individual NATO members had been recently established and perhaps it might suffice in the report if some general attention were given military implications in connection with political consultations. This particularly referred to giving advance notice to allies before substantial changes in military contributions were made, as for instance, the shifts made by the French Government of their troops to North Africa.

19. *Use of American Experts in Special Studies.* Both Perkins and Elbrick agreed that it would be desirable to use experts in preparing first drafts of the report since they would not be under the disadvantage of operating under national instructions. They agreed that the Committee of Three should feel free to call on unofficial experts in the USA.

20. *Further Followup Procedures.* Mr. Pearson said that, while it would be difficult for him to undertake to have any further informal consultations with the USA Government after the Committee of Three had started their work, he would welcome any suggestions or ideas from Washington as their studies progressed. He also might arrange to have Ignatieff come down for further exploratory talks after the Committee of Three meetings in Paris had concluded. He made it clear, however, that he could not undertake to clear any part of the report with Washington during the course of its preparation but that he and his colleagues would bear in mind the views and suggestions of member governments.

[A.D.P.] HEENEY

525. DEA/50105-F-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 1134 Washington, June 13, 1956

CONFIDENTIAL. IMPORTANT.
Reference: Our Tel 1120 Jun 12/56.
Repeat London, NATO Delegation Paris (Information).

NATO COMMITTEE OF THREE; IMPRESSIONS OF USA POSITION

Our telegram under reference confines itself to an account of your conversations in Washington on Monday June 11, with the Secretary of State, Senator George and others. Over the weekend you also had an opportunity of talking with a group of State Department officials on June 9 and with a group of American journalists on June 10.

2. In this telegram I shall attempt to record briefly the main impressions we received of the present position of the USA Administration with regard to the matters covered by the terms of reference of the Committee of Three.

3. To a limited degree there was an encouraging indication of common ground. This was perhaps most evident in the discussions of economic aspects though it was also evident that the Administration believe in principle in more consultation. It was also satisfactory to know that the Administration is broadly satisfied with the present mechanism and is more than doubtful that any radical changes in that regard would be helpful. Some limited clarity was found on the previously generalized reference to the OAS. Mr. Dulles indicated no desire to make artificial distinctions between political, economic and military aspects of NATO.

4. There are obviously, however, severe limitations upon the extent to which the government here would be willing to support the development of NATO beyond its present sphere of activity. In the discussion at the State Department on June 11, Dulles on a number of occasions stated frankly that the Administration would not accept any proposals which would involve going to Congress for additional authority. In this he was supported completely by Senator George. So, for the period of the Congress at any rate, we may be quite sure that any recommendations of the Committee of Three which, for the USA, would require legislative sanction of any sort would not be supported by the Administration.

5. Apart from these "congressional" limits to USA action it was quite evident from our discussions that Dulles placed quite severe geographical and procedural limitations upon the extent of effective political consultation in NATO which the USA would be willing to accept and support. It was, I think, particularly significant that Dulles laid considerable emphasis upon the "web of procedures" and the brake upon essential speed in decision which excessive consultation might involve (paragraph 12 of our telegram under reference).

6. A more specific impression which we had derives from that portion of the discussion recorded in paragraph 14 of our telegram under reference. Unless the European nations are induced to unite, their division would inevitably bring economic and political disintegration under Soviet competition. This of course is no new theme for Dulles. Nor was it by

any means clear precisely what means he would adopt to prevent or reverse, this progress. But it was evident that this remains a strong motivation in USA policy.

7. Our impression of the extent and depth of American thinking on the "non-military" aspects of NATO was amply confirmed. That is to say, Mr. Dulles himself (and the same is true of his senior advisers) is at a very early stage in his consideration of what could and should be done to strengthen the unity of NATO. This emerged very clearly from our meetings and was admitted frankly by the Secretary at his press conference, yesterday, June 12. In fact the USA have only just begun, at the top levels, to examine seriously the steps by which NATO might move from the general to the particular in this field. Perhaps the best evidence of this is the statement which Dulles himself composed and of which he gave you a copy when you were here. (Ignatieff has taken several copies of this to Ottawa with him.)

8. While there was confirmation of the desire of the Administration for "making NATO more than a mere military alliance" we have had the impression that not only were the means of achieving this ill-defined but that the USA have not given adequate attention to the problem of how to reconcile the strengthening of NATO on the one hand with the cautious pursuit of a détente on the other. Clearly from Dulles' paper they are still thinking of NATO primarily in terms of an anti-Soviet alliance. This of course is one essential objective but it remains to think out the place and role of NATO in the world as it now is.

9. In his press conference of June 12 the Secretary of State answering the question on his views on the development said in part "We have a very able group of officers within the Department of State who are studying the problem from a technical standpoint". Perhaps the last phrase was hastily used but at best it does not suggest the position of the role that NATO should play. The "very able group of officers" is for the most part at a junior level and from indications that came to us after your departure we gained the impression that the group was looking hopefully for another lead from the Secretary rather than feeling free to plunge into the rethinking which we would like to see.

10. Both encouraging and somewhat discouraging evidence emerged from your conference here. We are hopeful, however, that the series of questions you put and on which the value of the meetings so much depended will lead to fuller and more realistic study here of the problem before your committee. Furthermore, the lack of precision in USA thinking to date does not by any means imply that the new enthusiasm here for a stronger NATO may not have important results for the alliance.

[A.D.P.] HEENEY

DEA/50105-F-40

526.

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DL-583 Ottawa, June 15, 1956

CONFIDENTIAL. IMMEDIATE.

Reference: Washington's Telegram 1120 of June 12.

Repeat London, Washington (Information).

NATO COMMITTEE OF THREE — PRELIMINARY VIEWS OF MR. DULLES

The detailed and rather depressing account of Mr. Dulles' views was intended for your own information only. An impressionistic account more calculated to encourage our NATO partners in their efforts to produce new ideas and practical suggestions for the Committee has been prepared and will be used to brief Heads of Missions from NATO countries in Ottawa. I also propose to report to Lange and Martino when we meet next week. In the meantime, you might tell your Norwegian and Italian colleagues that we have briefed the Norwegian and Italian Ambassadors at Ottawa and that I intend to give a full account of my talks to their Foreign Ministers next week.

L.B. PEARSON

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527. DEA/50105-F-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DL-587 Ottawa, June 15, 1956

CONFIDENTIAL. IMPORTANT.
Reference: My Telegram DL 586.†
Repeat London, Washington, Brussels, Bonn, Paris (Information).

NATO COMMITTEE OF THREE — IMPRESSIONS OF MR. DULLES' VIEWS

The most important purpose of the visit to Washington was to assure the Committee of Three of the support of the United States Government for the task which the Committee had been charged by the Atlantic Council to advise on ways and means to improve and extend NATO cooperation in the non-military fields and to develop unity within the Atlantic community. It is of course important that all members should give support to the work of the Committee in the tangible form of contributing new ideas and practicable suggestions; but because of the position of the United States both in the Alliance and in world affairs, it is particularly important that this support should be forthcoming from Washington. There was no doubt as to the keen interest and support which Mr. Dulles has for this reappraisal of NATO. He said that he regarded the task of the Committee as one of "utmost importance". The interest and support of the President was demonstrated by the appointment of Senator George to the job of providing leadership for the U.S. studies of NATO problems.

2. However, the views on the United States position are still in a formative and tentative stage. Senator George will be fully occupied with his duties as Chairman of the Foreign Relations Committee of the Senate until Congress adjourns. Mr. Julius Holmes, who is to be senior staff member on the task force which has been set up to do technical studies on various NATO problems, will not return to Washington from his present duties at Rabat until sometime in July. In the meantime, a staff of some 7 or 8 officials has been assembled to start the work of preparing technical studies.

3. From the preliminary talks with Mr. Dulles, it was clear that the United States agreed in principle that there should be a development of consultation between member governments on matters of common concern. As Mr. Dulles pointed out, this was already being

done on political problems and it was a question of developing further ground which had already been broken through increased usage and improved methods. He did not see the necessity for any radical changes in NATO machinery for this purpose. One suggestion which he put forward, for instance, was that each government should send their highest experts on any given problem who would be in a position to know intimately the thinking of his government to assist the Permanent Representative on the Atlantic Council in the discussion of political problems and in the exchange of views with his counterpart from other governments.

4. But the translation of the principle that governments should consult more on matters of common concern obviously creates difficulties for all member governments and especially for the United States with its greater burdens of international responsibility. In particular, as Mr. Dulles put it, there is the problem of trying to reconcile the obvious desirability of bringing the greatest measure of harmony between the policies of member governments through consultation, particularly in matters which more directly affect members of the Atlantic community than other members of the international community, and preserving a sufficient degree of flexibility to enable quick and decisive action to be taken where this may be required. He suggested that, from this point of view, it was necessary to avoid the laying down of too rigid procedures for consultation. It was also necessary to bear in mind the special United States responsibilities in world affairs.

5. In the field of economic policy, Mr. Dulles suggested it was difficult to draw too fine a distinction between the political and economic aspects of policy issues. It was obviously desirable, however, that the economic policies of member governments, insofar as they were of direct concern to the Treaty area, should also be the subject of consultation.

6. Insofar as operating mechanisms in the economic field were concerned, it was the United States preliminary view that there were enough instruments already available, such as OEEC, EPU, GATT, IMF, etc. There would therefore seem to be no room or occasion to create a new operating agency specifically within NATO. It was also Mr. Dulles' view that the U.N. was a more suitable instrument for channelling international economic aid to countries outside the Treaty area.

7. Mr. Dulles spoke of his special concern about the rapid economic development going on in the Soviet Union and the challenge which its rapidly developing industrial system represents, particularly to the European members of the community. This problem, he thought, should be the subject of study and consultation and he spoke in sympathetic terms of the several initiatives which had been taken to strengthen the economies of Western Europe through measures of integration, such as the Coal and Steel Community and Euratom. In short, as regards the economic field, Mr. Dulles fully realized the difficulty of drawing any artificial distinction between political and economic as well as, for that matter, defence aspects of NATO problems. All these aspects, if they concern members of the Atlantic community more directly than other nations, should be embraced within continuing consultations between member governments.

8. To sum up, the United States attitude to the study of the Committee of Three at this stage is formative and tentative and can only be stated in very general terms. However, the whole field is being explored in technical studies which, as they develop, will be of help to the Committee. There was no doubt at all as to the importance attached by the United States to the study and its will to cooperate with the Committee.

L.B. PEARSON

528. DEA/50105-F-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 802 London, June 15, 1956

CONFIDENTIAL. IMPORTANT.

NATO COMMITTEE OF THREE — ECONOMIC ASPECTS

Rasminsky, Ritchie and I had an hour's discussion at the CRO this morning with Garner, Caccia and various other officials including representatives of the Treasury. We indicated the kinds of economic questions which we understood you had planned to raise with Dulles on the basis of your DL 989.† We were disappointed at the response of the UK officials who seemed to have no particular ideas about NATO's role in this field and were obviously obsessed with the suggestion which they had made earlier through Earnscliffe for some special non-NATO consultative arrangements on "countering" Soviet economic activities. Most of the conversation was taken up with this suggestion.

2. They did, however, indicate that they regarded our idea of periodic NATO discussions on international economic matters as having been accepted by the Council in December. They seemed prepared to go along with it, but intimated that many such matters might better be discussed in the OEEC. In any event they would use their OEEC people for such discussions (as they had now decided to do in connection with the Italian project for bringing economic experts into certain NATO Council discussions).

3. They also thought that in a limited way exchange of intelligence about Soviet economic moves might take place through NATO. They consider that this exchange should not be very detailed or go far partly because of the lack of security in NATO and partly because some NATO countries (eg Greece and Turkey) would not be able to do much with such information. They agree with what I gather is the general view that NATO itself should not take on any executive functions relating to economic assistance programmes.

4. They appeared to think it appropriate for NATO to take an interest in European integration projects but they (as in the discussion in the continuing committee) refrained from expressing any UK views on these projects.

5. They thought it would be quite in order for your committee to examine the effectiveness of broader international arrangements (eg the GATT and Fund) which had a bearing on the position of NATO in the world and on relations among NATO countries. In fact they considered that there was no limitation on the scope of your enquiry (provided of course the Committee did not recommend that all NATO countries should support SUNFED or other specific international ventures).

6. The talk on the UK proposal for coordination of activities to counter, or anticipate, Soviet economic manoeuvres was rather depressing. We indicated misgivings about it somewhat on the lines of your telegram E872 of June 12 1956.† The UK officials did not however appear to be moved by our reasoning. For our part the doubts which we had about the practicability or wisdom of the proposal were not removed but were confirmed by the UK exposition. The UK officials appear to have been chastened by the Aswan Dam episode and after a period of what Caccia described as "self-criticism" have concluded that an

arrangements of the sort now proposed might enable them to deal with any similar cases in the future in a more orderly manner. When we mentioned Iceland's present difficulties as an example of a situation of concern to NATO from the point of view of Soviet penetration they argued that the kind of arrangement which they envisaged would help in dealing with such a case. They were not at all clear on just how such machinery would be helpful or why it would be necessary in this instance, when it is already open to the UK and US to consult directly on an ad hoc basis and bring in other interested countries as the occasion may require.

7. In view of the number of times that this consultative proposal has been mentioned to us by UK officials over the past few days and in view of their apparent imperviousness to counter-arguments it would seem clear that they are wedded to the idea for one reason or another. The importance which they apparently attach to it is rather difficult to understand especially since they claim that they would expect it to affect only a very few projects. We feel that it might well discolour western aid activities as a whole and would not really be effective in the process. The UK officials seem to be under the illusion that new machinery, of either a formal or an informal character, would in some manner serve as a substitute for additional resources which they do not consider themselves able to put up.

8. Judging by our talk this morning at the official level you probably should not count on deriving very much inspiration on any economic aspects of your assignment from your discussions with the UK.

N.A. ROBERTSON

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529. DND/21371/CSC-1797-1[36]

Le haut commissaire au Royaume-Uni
au représentant permanent auprès du Conseil de l'Atlantique Nord

High Commissioner in United Kingdom
to Permanent Representative to North Atlantic Council

TELEGRAM 57 London, June 19, 1956

CONFIDENTIAL. MOST IMMEDIATE.
Reference: DL 899 Jun 15/56.†
Repeat External 817 (Important); Washington (Routine) (Information).

COMMITTEE OF THREE — TALKS WITH FOREIGN OFFICE

Foreign Office views were given to me in a talk with Selwyn Lloyd on Sunday night, followed by talks in greater detail at the Foreign Office with Caccia, Hood and Steel on Monday. The oral presentation was supplemented with a paper which Lloyd allowed me to see setting out UK views on the future of NATO. All this material is summarized under the heads set out in your message under reference. On the whole the UK views are fairly well developed on what they want and what they do not want in the development of consultation, both on political and on economic matters. To that extent the talks were definitely useful. More detailed studies are still, of course, in a tentative stage.

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[36] Les dossiers du ministère des Affaires extérieures sur les travaux qu'a effectués le Comité durant l'été de 1956 ont été perdus. Le rédacteur du présent volume a donc dû se fonder sur les dossiers moins complets du ministère de la Défense nationale.
The Department of External Affairs records on the Committee's work during the summer of 1956 have been lost. The editor of this volume was forced to rely on the less complete records of the Department of National Defence.

2. *Method of Work.* The UK views were of course, considerably affected by their interest or, as the Foreign Office put it, their "blind determination" to proceed with their NATO military reappraisal this summer.[37] They would therefore definitely like to have a ministerial meeting as soon as possible, but not later than September, if the reappraisal is to be launched under the umbrella of the Committee of Three review of replies from member governments (which I am proposing to my colleagues on the Committee when we meet). As to the content of the report, they do not see the Committee being able to go deeply into the substance of NATO problems, but believe that member governments should be given advice on the principles on which NATO should work under conditions of competitive co-existence and an attempt made at defining the areas of consultation and improved methods. In the first instance at least they believe the report should be in the form of confidential advice to member governments, although they realize that it will probably be necessary to publish at least parts of the report.

3. *Background and Aims.* They agree that a statement of aims of the Alliance might be useful in the introduction to establish that the Alliance, though defensive, on the military side stands for positive political aims, though such a definition might be difficult to agree upon.

4. *Political Consultation.* Like Dulles, Lloyd believes that it is impracticable to try to lay down any general obligation to consult in advance or prescribe rules as to what specific subject allies should consult about. Likewise, they are again trying to lay down rules for the settlement of disputes between members and believe that the aim should be rather to try to prevent disputes from arising by continuing consultation on matters of common concern which would enable allies to take into account possible objections raised by other members directly concerned. To try to introduce formal procedures on O.A.S. lines might tend to disrupt unity, rather than to promote it. They also believe that the rule of unanimity should be preserved as regards placing issues in dispute formally on the agenda of the Council but not exclude informal consultation particularly between parties most directly concerned on inter-member differences. On occasion NATO intervention might be limited to "good offices" to work out differences outside rather than inside formal meetings of the organization.

5. As to areas of discourse, since NATO, in the UK view, should (a) aim primarily at continued U.S. involvement in Europe and (b) continued German adherence to the west, the subjects on which members of NATO should seek to develop a community of view and identity of policy should include matters (a) relating to the external threat to which NATO is exposed, ie, action and policies of the Sino-Soviet Bloc, and (b) those which would help strengthen the Alliance internally so that it is better equipped to meet the external threat.

6. *Adequacy of present NATO machinery.* Certain changes in NATO procedures are believed to be required, particularly: (a) improvement in the Council's working methods, especially through more frequent use of restricted sessions and better planning of the Council agenda, including its agreement well in advance to enable better briefing of Permanent Representatives. (b) Improvement of representation of government views, including not only improvement of the calibre of representation on the Permanent Council (like the State Department they do not believe that more frequent ministerial meetings are practicable) but also improve briefing of representatives by improved procedure within the

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[37] Voir aussi/See also Document 544.

home governments; they also agree with the State Department about top level experts attending on an ad hoc basis. (c) Improvement of security, which the UK Government believe is essential if more and better consultation is to take place; this involves not only preventing leaks to the press but also safeguarding communications between permanent representatives and their home governments (this is recognized, of course, to be an especially delicate problem).

7. *Limitations on Consultation*. The UK see three main limitations:

(a) Even when governments consult the Council in advance it would be with a tacit reservation which, on occasion, would have to be stated explicitly that "national interests remain paramount"; they would be prepared, however, to accept sacrifices of national interest in small matters and expect others to make similar sacrifices, but governments should be quite frank on this issue to promote mutual confidence and dispel misunderstandings.

(b) *Timing*. Like the State Department the United Kingdom believe that in certain instances the taking of effective action in the protection of important interests may not permit full consultation through the Council.

(c) *Security*—particularly the points made in the preceding paragraph on leaks to the press and security of communications.

8. *Economic Cooperation*. The bulk of UK views have been more fully reported in Robertson's message 802 June 15, 1956, reporting his talks at CRO, and Ritchie will have this material in greater detail. Briefly the UK position seems to be to place main emphasis on exchange of information about the Soviet economic threat and its political and economic implications. Also they would like to see discussions of economic matters with a defence slant. The areas on which NATO economic work might be improved would include:

(a) Comparative studies of the future course of Soviet internal economic development and internal economic development of NATO powers.

(b) Studies and discussion of the lay-out of economic resources of NATO powers appropriate to competitive coexistence.

[L.B. PEARSON]

530. DND/21371/CSC-1797-1

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 957 Paris, June 20, 1956

SECRET. IMPORTANT.

COMMITTEE OF THREE

The three ministers met privately this morning. Mr. Pearson opened up the talks by reporting on his conversations with Mr. Dulles in Washington and Mr. Selwyn Lloyd in London.

2. The three ministers then talked about the proposed procedure and method of work. Both Mr. Lange and Mr. Pearson discouraged Mr. Martino from his idea to have the three ministers visit Washington together. Mr. Pearson pointed out that such a visit could hardly be made to Washington without the ministers going to all NATO capitals and this, it was agreed, is impracticable.

3. As for future procedure of work, the ministers agreed that the questionnaire should be prepared as soon as possible with a view to circulating it to other NATO governments. It is hoped to obtain the replies from governments towards the end of August or the beginning of September. The replies would be sent to the NATO Secretariat and to the three members of the Permanent Council; they will be processed for the three ministers who would come back to Paris at that time. The ministers envisage spending perhaps a couple of weeks in Paris in September and follow more or less the TCC procedure. In other words, instead of the Committee of Three visiting other capitals, the other NATO governments would be invited to send representatives to Paris to discuss with the Committee their replies to the questionnaire and the broad content of the report.

4. It is envisaged that the report could subsequently be submitted to the Permanent Council at the beginning of November. One or two, or even the three ministers, could be present when the report is tabled in the Permanent Council. It was thought this would be preferable to a special ministerial session.

5. The report would be submitted to the December ministerial meeting for approval and it is hoped to have two extra days added to the normal December ministerial meeting in order to allow for a full discussion of the report.

6. The above mentioned time-schedule has been tentatively agreed upon by the ministers but it is understood that it should be kept flexible and changes made if necessary.

7. Mr. Pearson's impression is that the real reason why Mr. Martino wanted the three ministers to meet privately in the absence of any advisers or members of the international staff is that he wished to express disappointment over the attitude of the Council regarding the establishment of the Committee of Economic Advisers. Mr. Martino read the text of the communiqué adopted at the last ministerial meeting and said that the resolution adopted last May could not be construed as to mean that the body of experts would be constituted only to discuss one economic subject. Mr. Martino also made the point that the Permanent Council should be given more authority to discuss political matters. This was countered by Mr. Pearson's remark that, in his opinion, if there were any weakness in political discus-

sion within the Council this, perhaps, was more attributable to governments. Otherwise, Mr. Martino did not come up with any specific proposals.

8. Mr. Lange brought up the question of the rumoured changes in United Kingdom defence policy but I understand Mr. Pearson has been reporting to you on his conversations in London and here on this subject.

9. Mr. Martino gave to Mr. Lange and Mr. Pearson a memorandum† prepared by the Italian Foreign Ministry which constitutes the Italian version of the proposed questionnaire. We shall be sending the text of this memorandum by bag. Mr. Lange, for his part, brought along a revised draft of our own papers on the political aims of the Alliance and the questionnaire, which does not depart greatly from our own.

[L.D.] WILGRESS

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531. DND/21371/CSC-1797-1

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 959 Paris, June 21, 1956

SECRET

Reference: Our Tel 957 Jun 20.

COMMITTEE OF THREE

The three ministers met Thursday morning to discuss the questionnaire to be sent to NATO governments and the programme of the Committee of Three. It was decided that the introductory section on political aims of the Alliance should be retained, although this part will not be circulated to the governments along with the questionnaire. Our own paper, with the minor amendments made by the Norwegians, will be used as a basis for this section.

2. While the ministers saw no difficulty in reconciling the contributions of the three to the political section of the questionnaire, they considered in detail the economic section of the Italian questionnaire, which is pretty far-reaching, and agreed to set up a working group to reconcile the Italian, Norwegian and Canadian texts. Mr. Pearson also suggested, and this was approved by his colleagues, that the questionnaire itself should be as concise and specific as possible but that explanatory notes might be prepared on the various questions to be sent separately to the governments through the Permanent Council. In this way, governments will have, in preparing their replies, fuller information as to the meaning and implications of some of the questions. This will make it possible to illustrate the type of problems that the Committee had in mind in putting forward their questions. It will also make it easier to eliminate certain of the more controversial Italian questions.

3. It was clearly understood that in putting forward the questionnaire, the governments concerned were no more committed than any other member government and would be in the same position as others not represented in the Committee as to the replies they return.

4. Mr. Lange referred to the forthcoming meeting of the Atlantic Treaty Association in Milan on September 11, 12 and 13 and suggested that Lord Ismay write to the Secretary of the Association informing him that the Committee of Three would welcome any sugges-

tions that they may wish to offer regarding the development of non-military activities in NATO, particularly in the information and cultural fields. This suggestion was accepted and it is possible that Mr. Martino may have the opportunity of meeting the group.

5. Mr. Pearson suggested that it might be advisable to set a target date for the submission of replies to the questionnaire by the various NATO governments. It was agreed that governments should be asked to report by August 30. The replies will be communicated to the NATO secretariat and the three interested ministers, who tentatively agreed to come to Paris on September 10 for an approximate period of two weeks. During the first week, they will discuss the national replies with the representatives of the interested governments and the second week will be used to study the contents of the replies and the structure of the report. It was thought that it might be useful for the three ministers to send advance teams to Paris to help the Secretariat process the replies for the ministers.

6. Mr. Pearson raised the question as to whether anything useful could be done before the replies to the questionnaire started coming in. He said, in this connection, that special experts' studies might have to be prepared on specific technical subjects which the ministers might wish to have explored. He suggested that thought might be given to appointing two or three consultants as special members of the Secretariat to be seconded to the Committee of Three. The subjects that were mentioned were NATO's relationship with OEEC, GATT and other specialized agencies in the economic field and a study of the possible role of NATO in the field of technical education. Mr. Pearson mentioned, in this connection, the name of Professor Lincoln Gordon of Harvard University as a possible appointee.

7. Mr. Pearson then discussed the general organization of the report of the three and outlined his own views, which were shared by his colleagues. He envisaged the content of the report as follows:

(a) An introductory section dealing with the political aims of the Alliance based mostly on the Canadian Norwegian papers, with some additions taken from the Italian memorandum;

(b) A section which would outline what has been done in NATO since its establishment in the non-military fields to be prepared by the Secretariat;

(c) A third chapter dealing with functional problems on the adequacy of the present NATO machinery to deal with the non-military activities of the Alliance. (It was agreed that this section could be written on the basis of comments received from member governments without waiting for the replies to the questionnaire.)

(d) A fourth section dealing with political consultation within NATO based on the replies received from governments;

(e) A section dealing with NATO's relationship to other international organizations, including OEEC, the U.N. and Specialized Economic Agencies;

(f) A section dealing with social, information and cultural activities;

(g) Finally, a section containing the recommendations of the Committee of Three which, of course, would be the last one to be prepared but on which work could be started after the September meeting.

8. At the end of the meeting, Mr. Martino said that there might be some advantage in talking to non-NATO governments which are members of OEEC in order to dispel any impression that NATO might interfere with the work of the organization. Mr. Martino also asked whether such talks could take place with Spanish authorities. The ministers agreed that there would be no objection to telling other governments informally what the Committee of Three was trying to do.

9. The ministers finally agreed that some study might be made of the machinery used in other international organizations (for instance, in O.A.S.) for the settlement of disputes between members. Such a study, to be prepared by the Secretariat, would not be concerned, of course with policy but would be restricted to an outline of procedures that have proved useful in another context.

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532. DND/21371/CSC-1797-1

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 973 Paris, June 22, 1956

CONFIDENTIAL
Reference: Our Tel 959 Jun 22/56.

MEETING OF THE COMMITTEE OF THREE WITH PERMANENT COUNCIL

The Committee of Three met with the Permanent Council on the morning of June 22. Following introductory remarks by Mr. Martino as Chairman of the Committee of Three, Mr. Pearson outlined the work of the Committee to date and its proposed schedule, noting that the Committee had kept in touch with each other and with other governments prior to its present meeting. The timetable outlined in our telegram under reference was then explained to the Permanent Council and emphasis was placed on the opportunity for consultation with the Committee of Three in Paris during September either by individual governments or by the Council. In noting that the Committee's report will be submitted to the December ministerial meeting, Mr. Pearson expressed the hope that all governments will come prepared to spend sufficient time to consider the report in detail.

2. Following an explanation of the questionnaire which should be issued by approximately June 25, Mr. Pearson outlined the proposed structure of the Committee's report which we have already forwarded to you in our telegram under reference. With respect to Section 2 of the report, he suggested that a frank statement of NATO's record on specific points of political consultation should be made to serve as a background for the Committee's recommendations in the final section. He also repeated his view that the report may find that it is the will of governments to use the present machinery of NATO that is lacking rather than there being a need to change that machinery significantly. With respect to economic studies, he emphasized the need for NATO members of OEEC to reassure their non-NATO colleagues in that organization as to NATO's intention in that field.

3. Mr. Pearson also mentioned that a very small secretariat for the Committee of Three has been formed with the help of the international staff but pointed out the possibility that the Committee may recommend the employment of one or two highly specialized persons for particular studies. We mentioned this point in our telegram under reference.

4. During the question period the United Kingdom Representative suggested that the Committee presently working on a report of non-military aspects of NATO should continue its work and submit the final product to the Committee of Three. The latter confirmed that this would be most helpful.

5. In answer to a question from the United States Representative, Mr. Lange confirmed that it is not the intention of the Committee of Three to circulate the answer of each government to the questionnaire to the other NATO members but rather to convene in Paris in September to discuss individual answers with the government concerned. Mr. Lange repeated Mr. Pearson's earlier suggestion that governments may wish to send special representatives to Paris for that purpose.

6. The Belgian Permanent Representative made a fairly lengthy statement complete with statistics to support his request that the Committee of Three make a survey of the shortage of technically trained personnel in NATO countries. He suggested the possibility that NATO might convene the appropriate educational authorities to discuss the matter and make recommendations concerning the orientation of studies for scientific students and their later employment, and perhaps also some means by which NATO could establish a standard of equivalents between the university degrees conferred by individual member countries. Mr. Lange emphasized the interest of the Committee of Three in this matter and pointed out that it is included in the questionnaire. With respect to Mr. De Staercke's suggestion of a meeting of educational authorities, the Committee of Three are considering an alternative and possibly simpler procedure whereby one or two fully qualified experts would be asked to make a study for NATO. Mr. Lange also pointed out that OEEC had studied the matter and had made a number of useful recommendations upon which governments had not acted. Mr. Lange concluded by indicating a number of ideas that the Committee of Three had been considering, such as the possible application of certain infrastructure principles to the encouragement of scientific training. Finally, he indicated that the questionnaire will ask for comments on the desirability of a centre of Atlantic studies which might take the form of a civilian NATO Defence College.

7. In conclusion, Mr. Martino asked that member governments treat the questionnaire as a secret document.

[L.D.] WILGRESS

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533. DND/21371/CSC-1797-1

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 981 Paris, June 25, 1956

SECRET

Reference: Our Tel 959 Jun 22/56.

Repeat London for Minister (Information).

COMMITTEE OF THREE

The ministers had a last meeting Friday afternoon to consider the draft questionnaire prepared by the working groups and gave it their approval. Several amendments were introduced and the revised text of the questionnaire is now available and is being sent to you by today's air bag.

2. After having approved the questionnaire the ministers discussed a few additional points which it might be of interest to report.

3. Mr. Lange said that he would wish to give supplementary information regarding some of the questions contained in the cultural section of the questionnaire, and it was agreed that the three Permanent Representatives will prepare a memorandum incorporating such supplementary information which the three governments see fit to submit on some of the points covered by the questionnaire. A footnote to that effect will be added to the questionnaire.

4. In the covering note to the questionnaire it will be indicated that the answers the governments will give to the questionnaire are only meant to serve as a basis for consultation which the Committee of Three will wish to have with governments in September. The covering note or the supplementary memorandum will also refer to earlier NATO reports made on the subjects of the enquiry such as the Pearson Report and other related documents. A list of these documents is contained in the "position" paper given to us by the Norwegian Delegation, copy of which you already have.

5. Mr. Lange, in the course of the discussion, also referred to a letter of June 2 which he received from the International Federation of Trade Unions enquiring as to whether they could be useful in any way to the Committee of Three. He said that the real intention of the letter is to enquire whether NATO would give to IFTU a consultative status similar to that which is granted to certain international organizations by the U.N. Mr. Pearson remarked that IFTU is not a NATO organization but one with wider membership, including non-committed countries. It was finally agreed that the ministers would look into this matter again, in September presumably, when they discuss, in the light of the replies received from governments, what further steps NATO could take in the information field. The question of granting consultative status to certain organizations might then be discussed.

6. Baron Bentinck then raised a few questions of procedure with particular reference to the task with which the Secretariat will be entrusted regarding the Committee of Three report.

7. He understood that the first section dealing with the political aims of the Alliance would be written by the Canadians. The second section dealing with what NATO has done since its establishment in the field of non-military operations should be prepared by the Secretariat. Mr. Pearson elaborated slightly on the type of study that is envisaged. He said that it would be useful if the Secretariat were to prepare a list of all the political and economic subjects discussed in NATO so far and what decisions have been taken with regard to these questions. He would think that, for instance, it would be possible to differentiate between political questions that came up in Council for information only, for information and action, for information with a view to achieving coordination of policies, etc.

8. Baron Bentinck confirmed that the sections of the report dealing with political consultation, economic cooperation, information and cultural activities, would all be dealt with by the ministers on the basis of the replies to the questionnaire. The two other questions that were given to the Secretariat to deal with were a study of the advantages and disadvantages of NATO becoming a regional organization under Article 52 of the U.N. charter, and a study on the machinery used in various international organizations for the settlement of inter-member disputes with special reference to OAS.

9. The ministers then discussed briefly the proposed appointment of consultants to help the ministers in their work. It was agreed that the terms of reference for these studies to be undertaken by these experts will be worked out by the three Permanent Representatives. Mr. Lange said that he would discuss further the question of who might undertake a study of the technical and scientific education survey that he has in mind and the possible terms of reference for that study. He will be in a position to send information shortly to his

Permanent Representative on these points. It was generally agreed that the experts will be receiving a generous daily allowance during their stay in Paris.

10. Before the meeting broke off, Mr. Pearson said that the ministers should agree among themselves not to see any individual or representatives of organizations as members of the Committee of Three. Of course, this will not preclude individuals or organizations to make submissions in writing to the ministers.

11. In my immediately following telegram,† I am sending the contents of a paper prepared by the Secretariat summarizing the various decisions reached by the ministers during their meetings in Paris relating to procedure and the future programme of work of the Committee of Three. This paper should be read in conjunction with our previous reports on the work of the Committee of Three.

[L.D.] WILGRESS

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534. PCO

Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet

Memorandum from Secretary of State for External Affairs
to Cabinet

CABINET DOCUMENT NO. 160-56 [Ottawa], July 30, 1956

SECRET

COMMITTEE OF THREE QUESTIONNAIRE

The NATO Committee of Three Ministers have circulated a Questionnaire preparatory to the drafting of a report which is to contain recommendations on ways and means to strengthen NATO cooperation in the non-military fields. In response to this Questionnaire, it is proposed to express substantially the following as the views of the Canadian Government.

(1) *Political Questions*

2. In addition to the special type of consultation envisaged in Article 4 of the Treaty if the territorial integrity or political independence of one of the members is actually threatened, it is necessary to prevent the threat to the unity of the Alliance as well as to the security of member states developing by the further development of effective procedures and habits of consultation.

3. To this end, member governments should be prepared to accept and act upon certain principles of consultation, especially the following:

(a) should accept the responsibility of informing the NATO Council of any political development in any area which may affect significantly relations among member governments or between NATO countries and the Soviet bloc;

(b) should recognize the right to raise any subject of common concern to NATO for discussion;

(c) should endeavour not to make political declarations significantly affecting the Alliance or other members without prior consultation through the Council;

(d) should seek to develop their national policies in the light of the interests and views of other NATO governments as expressed in consultations;

(e) should not adopt firm policies on matters of concern to the whole Alliance without advance consultation.

4. It is recognized that such consultations would have to take into account the following limitations:

(a) should not apply to minor modifications of policy but major changes;

(b) should not prejudice the need for prompt action in the case of real emergencies;

(c) should not carry with it any formal obligation for members to consult allies on matters which may be of common concern but not of great importance nor to change plans or intended policies in the event that they do not carry the best judgment of all member governments;

(d) should not lead to action constituting interference in the domestic affairs of any member government and should not extend beyond discussion to direct intervention unless there is agreement among the members on the need for such action or intervention.

5. The types of consultations envisaged would include:

(a) discussion in the NATO Council informally and privately on any matter which any member or the Secretary-General considers of general interest or common concern to the Alliance;

(b) providing and exchanging views on material for appreciation of current political developments;

(c) consulting with other members with a view to arriving at a general consensus in the light of which member governments would draw their own conclusions and determine national policies;

(d) consulting in certain defined fields for common concern to coordinate lines of policy and agreed action.

6. While informal consultations are still the best means of settling disputes or differences between member governments, consideration might be given to acceptance of the compulsory jurisdiction of the International Court in justiciable disputes subject to the U.N. Charter provisions and also to whether specific measures of conciliation and arbitration might be adopted in the case of political or non-justiciable disputes.

7. Support is given to greater use of national NATO parliamentary associations, including the holding of a joint meeting of the Parliamentary Conference, such as the one to be held in November of this year, with the NATO Council.

(2) *Economic Questions*

8. The practice of consultation on economic matters in NATO should be clarified and in some instances extended along the following lines:

(a) Discussions of the economic position of member countries should continue to be carried out through the annual reviews of NATO (where particular attention is devoted to the economic implications of the NATO defence program) and of the OEEC; in addition any member may be free to ask the attention of NATO to be directed to any special economic difficulty which might prevent it from discharging its full role in the coalition.

(b) On the principle that individual members should follow policies which show a real regard for economic interest of other members, any member may ask NATO to direct its attention to a situation where serious economic conflict between members has occurred or appears imminent. In the discussion of such problems it should emerge whether their solution may be best undertaken in other international bodies or in NATO itself.

(c) NATO should not, however, take over any of the functions of existing international agencies where most of the questions in the economic field of interest to NATO members can be dealt with most effectively; nor should NATO become an agency for the formulating or carrying out of trade or aid policies on behalf of its members.

(d) There should be exchanges of information and views within NATO and bi-laterally between NATO members on Soviet bloc aid and trade policies and their significance, so that member countries may take this into account in determining their own individual aid or trade policies.

(3) *Cultural Questions*

9. NATO activities might be improved for the more effective use of available resources by concentrating on a number of possible projects not already covered by other organizations such as:

(a) the establishment of a common research institute for Atlantic Community studies;

(b) the possible reorganization of the NATO Defence College;

(c) an increase in exchanges of students, workers, service personnel;

(d) the possibility of coordinating measures for the recruitment of scientists and other specialists to help meet competition from the Soviet bloc in the technological field.

(4) *Information Questions*

10. More effort might be made through NATIS as well as through the better coordination of national information services to make NATO policies better known and understood, both inside and outside the NATO area, and better coordination in information directed towards the Soviet bloc. The terms of reference and resources of the NATO Information Service might be reviewed to this end.

(5) *Organizational and Functional Questions*

11. While there is no need for any structural changes in NATO to accomplish the foregoing, a number of modifications in procedure designed to strengthen the habit of intergovernmental consultation should be considered, including the following:

(a) more frequent participation of Foreign or other Ministers in Council meetings;

(b) strengthening the role of the Secretary-General, particularly in using informally his good offices in disputes as well as in directing political consultation by making him Chairman of the NATO Council instead of the Vice-Chairman as at present;

(c) strengthening the permanent representation to the Council, including more frequent use of high-level experts for preparatory work in advance of Ministerial meetings and for special studies, such as on the German problem.

12. I should be grateful to be authorized by my colleagues to submit replies to the Questionnaire of the Committee of Three substantially on the basis of the above views.

[L.B. PEARSON]

535. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], August 2, 1956

Present

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

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NORTH ATLANTIC TREATY ORGANIZATION; COMMITTEE OF THREE QUESTIONNAIRE

8. *The Secretary of State for External Affairs* said the N.A.T.O. Committee of Three Ministers had circulated a questionnaire preparatory to the drafting of a report on methods of strengthening N.A.T.O. cooperation in non-military fields. The questionnaire was divided into five parts and sought answers on a number of political, economic, cultural, information, and organization questions. He submitted an outline of the views it was proposed to express on behalf of Canada.

An explanatory memorandum had been circulated.

(Minister's memorandum, July 30, 1956 — Cab. Doc. 160-56).

9. *During the discussion* the following points emerged:

(a) On the political side the answers appeared somewhat idealistic in their approach. There might be reasons on security grounds for not fully disclosing to N.A.T.O., on occasions, national views and information on certain subjects. In reply to this it was noted that, amongst other limitations, it was proposed that consultation would not prejudice the need for prompt action in an emergency. However, it was proposed that every national decision of importance, likely to be of significance to other N.A.T.O. members, would be discussed beforehand.

(b) On the economic questions it could be said that the proposed answers were realistically negative. N.A.T.O. should not enter into this field but the work of economic cooperation should continue to be done through existing agencies such as the O.E.E.C., G.A.T.T., the International Bank etc. The replies were not intended to lead to the impression that pressure should be applied to the United States to adopt better creditor policies. Nor was it intended to encourage Europeans to work towards an "infrastructure" programme of a civil nature.

(c) It was questionable whether support should be so clearly expressed for national N.A.T.O. parliamentary associations. If the report of the committee were strongly in favour of this, annual meetings of parliamentarians in Europe could be expected. This section of the replies might be omitted. On the other hand, most of the N.A.T.O. European nations attached great importance to fostering parliamentary support for the organization as a way of strengthening it in non-military fields. This particular answer could, however be re-considered.

10. *The Cabinet* approved the outline of the replies to the N.A.T.O. Committee of Three questionnaire, as submitted by the Secretary of State for External Affairs, subject to his reconsideration of the answer on N.A.T.O. parliamentary associations and related matters.

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536. DND/21371/CSC-1797-1

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 1458 Washington, August 8, 1956

CONFIDENTIAL. IMPORTANT.

CONSULTATIONS ON NATO COMMITTEE OF THREE QUESTIONNAIRE

1. The Canadian group had two meetings with the USA task force yesterday, Tuesday, August 7, during which views were exchanged on the main points raised in the questionnaire.

2. The USA task force were most forthcoming in explaining USA positions, and we reciprocated. The exchanges of views were therefore very valuable. Holmes made it clear, however, that their draft replies, a good portion of which were read to us, had not yet been considered at any senior level. They did not give any indication of whether their proposed replies were likely to be acceptable to Dulles. They expect in any case some delay in clearing their draft with the Secretary of State and gave us to understand that the submission of their replies to the Council might be a few days late.

3. In general their approaches to the questions were substantially the same as our own, and in no place was there a divergence of substance. Actually, except for three special proposals to which we refer briefly below, the USA and Canadian drafts appear surprisingly similar in approach particularly in their approach to consultations in NATO. On economic as well as political questions the USA draft answers were remarkably forthcoming, although in the economic field they would generally expect the possibilities of existing specialized agencies to be exhausted before resort to NATO.

4. On the economic section the USA views were generally very close to ours although they may be placing somewhat greater emphasis on the need for increased consultations in NATO in connection with meetings of other bodies such as ECE, COCOM, CHICOM, and GATT. They would not, however, envisage such consultations except when major issues of

importance to NATO were involved. Generally the economic portion of the USA draft reply favours the broad multilateral rather than narrow regional approach. They are not, incidentally, contemplating full membership in OEEC.

5. The main difference of emphasis on the cultural and information sections seems to lie in the greater availability of funds in the USA for this type of activity. Contrary to what we had expected, they did not unduly stress the need for NATO to expand its activities in the field of psychological warfare.

6. With regard to the organizational and functional questions, they reflected Mr. Dulles' earlier reluctance to commit himself to more than two brief ministerial meetings a year. We were in agreement, however, about extending the role of the Secretary General in the field of political consultation, although there was some diffidence about our suggestion that the Secretary General should be kept fully informed in advance of the views of member governments. (See our reply to question 3, Section V.)

7. The following is a brief summary of the three new proposals at present contained in USA draft replies:

(a) On political question 4, dealing with intermember disputes, the task force will recommend the appointment of a committee composed of three or five Permanent Representatives with the Secretary General as ex officio member and acting chairman. The purpose of the committee would be to take cognizance of any situation which might contain the origins of an intermember dispute which the parties themselves could not reconcile. The committee would be concerned chiefly with procedure and would function very informally. It would be entitled to approach NATO governments which might be involved in a potential dispute. Parallel to the committee would be a panel of arbitrators made up of eminent NATO jurists available at all times if and when the parties concerned are prepared to bring their disputes to them. The USA argument is that if such a panel existed, governments might be more readily induced to use it. The committee could act on any dispute (including economic cases if they were regarded as disputes and if other purely economic bodies were not capable of disposing of them), regardless of origin and of juridical character. To encourage the use of this new machinery a resolution would be proposed for adoption in Council by which member governments would agree to attempt solutions of the disputes within the NATO community before taking them to other international organizations such as the UN. Beyond acceptance of such a general resolution, use of NATO machinery for peaceful settlement would not be mandatory in governments.

(b) On organizational and functional question 1, dealing with effectiveness of consultation in the Council, the task force have in mind the appointment of a ministerial delegate who would serve as primary liaison man between the permanent representative and his government and as a backstopper at home for the permanent representative. The task force envisages that this ministerial delegate would not be a career official (civil servant) but a minister, although they recognize of course that this is a matter to be decided by each government. The delegate might go to Paris say every six weeks, and would be sufficiently authorized to speak for his government to facilitate decisions on the spot, even on important issues. With this arrangement, ministers would not have to meet more than twice a year. The task force appreciate that while this suggestion might be highly desirable from their point of view it may not have the same advantages for most of the European members and each country would of course have to be left free to determine how it might best be represented.

(c) On organizational and functional question 6, concerning the position of NATO as a regional organization, the USA legal experts are adopting the position that NATO is a regional organization in the sense of the UN Charter although it has never been declared to be so nor has acted as such. The USA legal reasoning is that an organization does not have to fall within Article 51 or 52 but merely has to exist or function under these articles. As a result there is already a legal obligation on the part of NATO to report to the UN under Article 53, although this would arise only in the unlikely event of enforcement action by NATO. We were given to understand that this position is similar to that taken by the USA with regard to the OAS.

8. Some minor modifications would appear to be desirable to the Canadian draft replies to the questionnaire, particularly in the light of our discussions with the State Department and some suggestions will be submitted to you when Rae and Crépault return. A detailed report† of the discussions has also been prepared.

9. As I have had an opportunity to discuss the text of the third draft with Ignatieff, Rae and Ritchie and have made my views known to them, I shall not be sending you any written comments as requested in your telegram DLDL 95 of August 1.†

[A.D.P.] HEENEY

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537. DEA/50105-F-40

Note

Memorandum

SECRET Ottawa, August 20, 1956

NATO — COMMITTEE OF THREE QUESTIONNAIRE REPLIES BY THE GOVERNMENT OF CANADA

PART I — POLITICAL QUESTIONS

Introduction:

The Canadian Government is in favour of more effective political consultation among the members of NATO in accordance with the principles outlined below in answer to the questions on this subject.

2. Close and continuing consultation on political matters of common concern is the essence of any durable alliance of free states. In an alliance as vital to the security of its members and to the peace of the world as NATO, such consultation is of prime importance. NATO is today faced with three important problems on the political plane: the need to maintain the unity of the alliance during a period in which international tensions may be less severe than in recent years; the need to develop policies which will strengthen the relationships of interest and understanding between NATO and non-NATO countries, including those of the "uncommitted" areas; and the need to provide a progressive basis of action for the Western world in the face of the continuing and complex challenge of international Communism. The first step in meeting these needs, in the view of the Canadian Government, is to provide for more effective political consultation. This is necessary in order to eliminate any unnecessary divergence of views and actions among members, to give a greater unity and cohesion to the alliance, to widen the area of understanding between NATO and the emerging governments and peoples of the less developed areas of the world, and to pave the way for taking constructive political initiatives vis-à-vis the Soviet bloc.

3. The North Atlantic Treaty makes specific reference to consultation only in the obligation set forth in Article 4 by which the parties "will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the parties is threatened". This is a specific obligation which relates exclusively to a direct threat to any of the parties. In practice, however, as the report of the 1951 Committee on the North Atlantic Community C8(D)/6 indicates, the habit and practice of consultation have extended beyond the special "emergency" situations envisaged in this provision of the treaty to cover wider areas of common concern. This is a necessary and sensible development. Although special attention must be paid, as explicitly recognized in Article 4, to matters of urgent and direct importance to members of NATO, and to "emergency" situations where it is obligatory for members to consult in the light of a threat, it is equally important to exchange views and to consult *before* the threat develops, and, indeed, to consult in advance in order to prevent the threat from developing at all. If NATO were to avoid consultation until the threat becomes actual, it would not be acting in the sense of its primary responsibility of protecting the mutual security interests of all its members. By the steady and persistent, if gradual development of effective procedures and habits of consultation, while recognizing that the ultimate responsibility for final decisions at present rests with national governments, NATO can best achieve an effective basis for developing a common foreign policy for the alliance in important areas of common concern.

> *(Question 1)* It might be useful to consider the desirability of laying down certain basic principles as guidance for political consultation on matters of common concern, such as the following:
>
> (a) The Council should be kept fully informed of any political development in any area which may affect significantly member countries or the Alliance as a whole.
>
> (b) The duty of informing the Council at an early stage of such developments should be accepted.
>
> (c) The Council should normally not be requested to take decisions or adopt resolutions of political importance without having had the opportunity to consider the matter in the light of all available information.
>
> (d) Member governments should endeavour not to make political declarations significantly affecting the Alliance or its member nations without prior consultation through the Council.
>
> It would be of interest to know the view of member governments on this proposal, with a statement indicating to what extent the above-mentioned principles are acceptable.

4. *(Answer)* The statement of basic principles which might guide Member Governments in regard to political consultation in NATO is generally acceptable to the Canadian Government which therefore replies in the affirmative to each of the four principles formulated in Question 1. It is considered that two further basic principles might be added to the foregoing in the following terms:

> (e) No NATO government should adopt a firm policy on important matters of concern to the whole alliance without early advance consultation with other members of the alliance.
>
> (f) When such consultation has taken place on a NATO basis on important matters of common concern, member governments should seek to develop their national policies in the light of the interests and views of other NATO governments as expressed in these consultations.

5. In order to make these principles operative, the Canadian Government believes that there should be a clearer understanding among member governments as to what is meant

by "any political development in any area which may affect significantly member countries or the Alliance as a whole". As a basis for discussion, the Canadian Government suggests that the primary areas of common concern to member governments in the political field include the relationships between members of the Atlantic Community, and between NATO countries and the countries of the Soviet bloc. The principal reason for seeking to improve and extend NATO cooperation in non-military fields at the present time is the need to adapt NATO to meet a new Soviet challenge which involves increased political and economic pressures in addition to the existing military threat.

6. Although the habit of political consultation in NATO has been growing in recent years, it has not, in the opinion of the Canadian Government, been growing with sufficient rapidity to justify any complacency in present circumstances. Now more than ever before NATO needs to aim at the closest possible coordination of the foreign policies of member governments on all important matters of common concern to the Alliance in order to strengthen its cohesion, and to harmonize the military, political and economic policies of its members. In particular, the Soviet Union is clearly seeking to enter into bilateral negotiations with members of the Alliance to serve its own interests, and it would therefore in principle be desirable for members of NATO to consult on such matters. The NATO Council is the forum best suited for accomplishing both these aims on the basis of carefully thought out principles, but without trying to establish a hard and fast code which would be the antithesis of the flexibility of procedure which is required. What is needed above all is the will to consult.

7. In stressing the need for more effective consultation, it is not intended that NATO should be the instrument for general consultation on minor or less important modifications of policy, which would be impracticable and unnecessary, but rather that consultation on this basis should be reserved for major and important policy developments of common concern to the Alliance. In the last resort the determination of whether minor or major matters are at stake must rest on the judgment of the governments principally concerned. Similarly, it must be recognized that the obligation to consult in NATO on appropriate matters, must not prejudice the necessity for quick action in any real emergency. Here too there will also be an area of judgment involved as to what are the essential elements of a "real emergency". Judgment in both the above situations should not be based on narrow national considerations alone.

8. One of the ways of retaining flexibility and removing some of the inhibitions which at present limit the scope of political consultations through NATO, would be to have it clearly understood that acceptance of the principles of NATO consultation, while essential, does not carry with it any formal or specific *obligation* for member governments to consult their allies on *all* matters of common concern, nor to change any of their plans or intended policies in the event that they do not carry the best judgment of *all* other member governments. It is in this light that we believe that an acceptance of the restrictions outlined in reply to Question 3 below would do more at the present time to encourage the practice of political consultation than agreement in principle to more far-reaching proposals that would in practice be bound to create difficulties and delays.

(Question 2) To what extent and under what circumstances is your Government prepared to participate in the following types of consultation within NATO?

(i) Informal exchanges of information;

(ii) Preparation of common appreciations in the light of current developments;

(iii) Consultations with the aim of arriving at a general consensus as a basis for determination or guidance of individual government policies;

(iv) Consultation with the aim of arriving at agreement on specific policies or courses of action.

9. *(Answer)* The Canadian Government would:

(i) willingly participate in informal discussions in the NATO Council of any matter which any member — or the Secretary General — considered of general interest or common concern to the Alliance, given adequate warning for preparation whenever possible;

(ii) participate in providing material for such common appreciations of current political developments as the Council felt it desirable to prepare, normally by means of Secretariat studies for the Council's consideration and subsequently for the information of member governments;

(iii) consult with its allies through the Council with a view to arriving at a general consensus in the light of which member governments would be better able to draw their own conclusions and determine their individual policies;

(iv) consult in certain defined fields of common concern (as explained in greater detail in reply to the next question) with the aim of arriving at agreement on coordinated policies in these specific fields.

10. The main obstacle to more extensive political consultation in each of the four fields mentioned in this question, in the opinion of the Canadian Government, is the inadequacy of security which has too often characterized NATO's political discussions in the past. An improvement of security is essential if recommendations aimed at increasing the effectiveness of NATO consultation are to be implemented. Secondly, a closer observance of discretion with the press would greatly facilitate a more rapid and complete exchange of information through the NATO Council on important matters of policy of common concern. With increasing security and mutual confidence, there will be a greater inclination to discuss delicate matters frankly in the Council at as early a stage in the formulation of national policies as possible, and preferably before firm positions have been taken publicly by member governments. Without them, it will be difficult to make any real progress.

(Question 3) What should be the basis for determining the matters of common concern which might be the subject of consultation under the four headings listed above, and what should be regarded as the factors limiting such consultation, such as respect for liberty of action of each member government and the non-universal character of NATO?

11. *(Answer)* No rigid formula can be set out in advance, in our view, beyond the general suggestions outlined in response to Questions 1 and 2 above, as criteria for the selection of matters of common concern appropriate for the various types of consultations listed under the four headings in Question 2. The following comments are, however, relevant.

(i) Although discussion should not lead to action which would constitute interference in the domestic affairs of any member of the Alliance, this limitation should not be interpreted in any narrow or legalistic sense. NATO is not, in our view, an operating but a coordinating agency in the political field. For this reason consultation should only extend beyond discussion and exchanges of view if all members of the Alliance agree on the further measures to be taken. We would, however, recommend that the Council recognize the right of any member to raise any subject of common concern to NATO for discussion, even when it may be possible that unanimity does not exist on the holding of such a discussion; there should in other words be no veto — even informally — on NATO discussions. On the other hand, not only is intervention excluded, except when there is general agreement that NATO action is required and appropriate, but it will be found more useful for discussions of contentious matters to be held as at present in either restricted or private sessions of the Council.

(ii) NATO appreciations of current political developments should not hesitate to record controversial minority opinions; otherwise these documents will tend to reduce themselves to a "lowest common denominator".

(iii) In view of the high degree of integration achieved in the military forces of NATO and the obvious fact that the fate of all members of the Alliance is inextricably linked, the NATO Council should aim at providing the basis for working towards a common foreign policy for the Alliance in important matters of common concern. While consultations with the aim of arriving at a general consensus may not pre-determine national policies, nor are member governments obliged *in every case* to consult through NATO before deciding their own policies, member governments should seek to develop their national policies in the light of the interests and views of other NATO governments as expressed in these consultations.

(iv) In connection with consultation aiming at agreement on specific policies or courses of action, the useful limits of such NATO action should be borne in mind. In view of the frequent need for prompt action, joint exercises (such as the preparation of replies to the Bulganin letters on disarmament) should be confined to seeking a basis of agreement on principles and attitudes, and should not extend to detailed drafting by representatives of 15 governments which is likely to make for delays and even irritations.

12. It is desirable for the maximum possible agreement to be reached through NATO on specific issues. Nevertheless, the Council as long as it is composed of the representatives of sovereign states cannot commit its member governments to common policies. In cases where agreement on specific policies or courses of action is sought, the Council has to proceed by way of recommendation to governments. To share in such consultation places a general responsibility on all governments to see to it that full weight is given to such recommendations in arriving at their final decisions and policies.

13. The Canadian Government is therefore convinced that a considerable expansion in the NATO Council's functions in the field of political consultation is both possible and desirable even without any constitutional change. The essential principle is that no NATO government should adopt a firm policy on important matters of concern to the whole Alliance without early advance consultation with other members of the Alliance. Any tendency, for NATO consultation to be on an exclusive basis, in matters where the interests of others are affected, should be resisted. NATO consultations will usually supplement rather than replace consultations through other international organizations and through normal diplomatic channels. The special obligations and responsibilities of the major powers on certain issues (e.g., German reunification) should be kept in mind; but NATO should not be by-passed on matters of concern to all members. (The discussions in the Council before the Geneva Conferences last year were good precedents, and could be carried further in future.)

14. In all NATO's political consultations and discussions, most of which we would assume would take place in restricted or private session, it will be necessary to give constant and careful attention to the impact of Council communiqués and of the actions and public statements of NATO members on public opinion, not only in NATO countries but the world over. We should strive to be more aware of attitudes and reactions in the "uncommitted" countries for whose allegiance or sympathy the USSR is now making strenuous efforts. NATO is not, and must not appear to be, merely a military alliance of the "colonial" powers and their supporters. For these reasons NATO political consultations

should not be preoccupied exclusively with the protection of the security of the Atlantic area and the maintenance of the unity of the Member States, but should reflect greater concern for improving the position of the Organization in all parts of the world, by taking, wherever real opportunities exist, forward looking initiatives in developing common lines of policy *vis-à-vis* the USSR, instead of merely consulting on how to react to Soviet initiatives aimed at destroying the cohesion of the Alliance. The future of NATO, in our view, will depend on the extent to which NATO governments bring themselves to accept and act upon this more positive role for the Organization in the political field.

> *(Question 4)* To what extent can NATO assist in the peaceful settlement of inter-member disputes and differences? In view of the provisions of Article 1 of the Treaty, should procedures of conciliation and peaceful settlement of disputes, similar to the relevant provisions of the United Nations Charter and other international agreements be adopted by NATO?

Peaceful Settlement of Disputes

15. *(Answer)* In an association of free and sovereign states, divergences of view and even disputes between its members are to be expected. This is merely the reflection of the fact of political change and development. What is important is that such divergences and disputes should be settled in a timely way and through orderly and peaceful procedures so that the Alliance should not be weakened. In dealing with such problems, the members of NATO have undertaken by virtue of Article 1 of the Treaty "to settle any international disputes in which they may be involved by peaceful means". So far as disputes between members of NATO are concerned, as in the case of disputes between members of NATO and other governments, it is recommended that every effort be made to apply this undertaking to the settlement of disputes which now weaken the Alliance or which may threaten to do so in the future.

16. In the first instance, the parties to such differences or disputes should make every effort *themselves* to achieve settlements through direct discussions, and should invoke formal international machinery and procedures as a last resort, and only when these direct efforts have failed. The Canadian Government further recommends that NATO Governments which have not already done so should consider whether they can agree to accept the compulsory jurisdiction of the International Court without or with a minimum of reservations, in all justiciable disputes among themselves, subject to the provisions of the United Nations Charter. It is thought that such a provision for the settlement of judicial disputes between NATO members would contribute to the unity of the Alliance and would strengthen the links between NATO and the United Nations.

17. It is also suggested that members of the North Atlantic Community should investigate the possibility of setting up in advance additional machinery for peaceful settlement including conciliation, mediation and arbitration so that political or non-justiciable disputes which threaten to impair the unity of the Alliance would be subject to previously agreed and accepted general procedures of settlement. In this connection, the role of the Secretary-General in tasks of conciliation is of importance (See Part V, Question 3).

18. It is recognized that if the practice of consultation can be further developed, it should be possible for NATO countries to harmonize their policies, and thereby to reduce, if not to eliminate altogether, serious divergences in their policies; reliance on formal provisions for the settlement of disputes would to that extent decrease. On the other hand, even with the development of a closer sense of community, member countries must recognize that adequate provisions for the peaceful settlement of their disputes, to be employed when necessary, constitute one of the important requirements of a strong alliance.

(Question 5) Should NATO give more formal recognition to parliamentary associations and the Parliamentary Conference and what should be the relationship between the Council and these parliamentary groupings?

19. *(Answer)* The Canadian Government believes that closer contact between parliamentarians of the NATO countries through NATO Parliamentary Associations and occasional meetings can be an important means of increasing public understanding of NATO and widening the basis of its support.

20. The Canadian Government believes, however, that there is a danger in attempting to form prematurely any formal NATO Parliamentary Council. Unless there were a clear understanding that such a Council was purely advisory in character, it might attempt, with resulting confusion, to supervise and control the work of the executive agencies of NATO, the members of which are responsible to governments, and only in that sense to parliaments. There is also the risk that parliamentary meetings of this kind, purely advisory in character, may get into the habit of passing resolutions that cannot be implemented and may, therefore, weaken in the public mind the position of the NATO Council.

21. Both the above difficulties can, of course, be overcome, and in referring to them here it is not intended to minimize the value of occasional meetings of NATO Parliamentarians as an important means of assisting the development of the Atlantic Community.

22. The Canadian Government suggests the following steps to bring NATO Parliamentary Associations into closer relationship with the Council of NATO:

(a) That the Council instruct the Secretariat to place the facilities of NATO headquarters at the disposal of Parliamentary meetings and to give all possible help with arrangements for such meetings.

(b) That Parliamentary meetings might be addressed by invited representatives of member governments, by the Secretary-General, by the Supreme Commanders, and perhaps by other senior military officers, followed in each case by a discussion period. In this way the parliamentarians would obtain a full report on the state of the Alliance and the problems before it, which would provide them with the information on which to hold useful discussions.

(c) That while any Parliamentary meeting might submit a report of its discussions to the Council, for the present it should be discouraged from addressing resolutions to the Council.

PART II — ECONOMIC QUESTIONS

23. The Canadian replies to the economic questions take the form of a general statement although throughout this general statement there is a parenthetical reference to the essential part of the Canadian reply to each specific question. In addition, material referring to specific questions may be found in the following paragraphs of the attached statement:

(Question 1) Does your Government consider that closer cooperation between member countries of NATO within the specialized organizations to which they belong and the establishment of closer relations with such organizations, would represent the most suitable means for promoting greater unity in the economic field between member countries? (See paragraphs 26, 30, 31, 32, 34, 35, 36, 37).

(Question 2) In this connection, as regards the OEEC, does your Government consider the participation of the United States and Canada as merely "associated members", to be adequate? (See paragraphs 31 and 32).

(Question 3) Article 2 of the North Atlantic Treaty states that the parties will seek to eliminate conflict in their international economic policies. Does your Government think

that the activities of other organizations, in particular the OEEC, is sufficient to discharge the responsibilities of NATO countries in this respect? To what extent does your Government consider that NATO could assist in the conciliation of economic conflicts arising between member countries? (See paragraphs 26, 27, 38, 39, 40.)

(Question 4) Does your Government feel that NATO may have some interest in developing public works for civilian use, as has been done in the military field? (See paragraph 28).

(Question 5) Does your Government consider that NATO should take an active part in the economic development of underdeveloped regions within the NATO area or would it be preferable that NATO should limit itself to the appraisal of the political importance for the Alliance of development programmes to this end? (See paragraphs 29, 34, 45, 46).

(Question 6(a)) Does your Government consider that NATO has a vital interest in promoting the economic development of underdeveloped countries outside the NATO area? If so, bearing in mind the non-universal character of NATO, what action in assisting under-developed countries does your Government consider can appropriately be carried on by NATO countries to achieve the necessary objectives and what coordination can be furnished within NATO? (See paragraphs 43, 44).

(Question 6(b)) Does your Government consider that the Statutes of existing and planned international financial agencies give them sufficient flexibility to enable them to operate suitably under present political conditions and to meet the requirements of the situation with which NATO is now confronted? (See paragraph 34).

(Question 7(a)) Does your Government feel that NATO should consider measures to counter and neutralize Soviet commercial practices which do not conform to the principles by which Western countries carry on their normal trade and financial relations with one another? (See paragraph 41).

(Question 7(b)) Does your Government feel that NATO should consider measures to meet the competition of the Soviet Bloc in the field of contracts for public works in politically sensitive areas? (See paragraph 44).

(Question 8) What suggestions can be derived from the experience in the economic field of other regional organizations with a view to the possible application of this experience to other geographical areas? (See paragraph 35, 45, 46).

(Question 9) Does your Government consider that it would be in the interests of the Alliance for the NATO countries to consult together when certain important questions are coming up for discussion in international economic bodies in which the Soviet Bloc is represented? (See paragraph 37).

(Question 10) Are there any other specific economic subjects or classes of subjects of general concern to NATO which are not now being adequately considered in other agencies and which might be discussed usefully in NATO? (See paragraphs 37, 41, 43).

24. *(Answer)* The Government of Canada attaches great importance to a strengthening of the economic foundations of the NATO alliance. To maintain an adequate defence position in the face of the continuing Soviet threat, the members of the alliance must contemplate devoting a large proportion of their resources to military purposes over a long pull. To be in a position to do so, while at the same time satisfying the legitimate claims of their populations for higher living standards, and providing for dynamic growth of their economic structures by setting aside adequate amounts for investment, it is essential that the output and productivity of the members of the alliance should be maintained at the highest possible levels; and that there should be sufficient flexibility to meet and successfully

counter those aspects of the Soviet economic offensive which threaten to subvert the purposes of the alliance.

25. To accomplish the economic objectives set forth in the preceding paragraph, it will be necessary for the members of the NATO alliance to make use of *all* the means at their disposal: there is no simple line of approach, no simple change in the machinery or functions of NATO, which will increase the total amount of resources at the disposal of the members of the alliance. This will require the constant and continuing efforts of the individual members in the management of their own internal affairs, in their relations with each other both within the NATO organization and outside it, and in their relations with other international organizations. While in the opinion of the Government of Canada, NATO can play an important part in these matters, certain other international organizations more specifically organized for economic purposes, can, in carrying out their own functions, help the NATO countries (along with their other members) to strengthen their economies.

26. The importance of domestic economic policies in determining the level of output and productivity of the members of the alliance is basic. This is not to underestimate the important role played by the generous economic assistance made available to some of the members of the alliance by the United States or the contribution made by the International Bank, the I.M.F. and the O.E.E.C. But, without adequate internal policies, even this assistance would not have produced the results referred to.

27. The Annual Reviews carried out by NATO and the OEEC provide an opportunity to comment on the economic position and development of members. It is the view of the Canadian Government that these complementary reviews should be continued. Each organization pays attention to particular phases of economic matters and it would seem desirable to maintain this division of labour over this (or indeed any other) function now performed by the OEEC.

28. While NATO should have a proper concern for the internal economic position of its members and is directly concerned with the economic aspect of defence policy, it should not, in our opinion, act as an agency for formulating and carrying out trade or other economic policies on behalf of its members. Thus, the Canadian Government would not consider the arrangements which have been made for constructing certain military works of common interest as applicable to public works for civilian use (Question 4). Even in the case of military infrastructure it has been generally recognized that allowance should be made for any elements which were adaptable to civil use and which therefore had economic value for the host countries. Where more than one government has an interest in a particular civilian project, no doubt arrangements can be made between the Governments involved, as has happened, for example, between the United States and Canada in connection with part of the St. Lawrence Seaway and Power Project. It is difficult, however, to imagine a strictly civilian public works project which would be of direct interest and value to all or the bulk of the NATO countries. In the absence of projects of this type, there would not seem to be a parallel between civil public works in the NATO area and military works which have been carried out for the benefit and use of the armed forces of all NATO countries.

29. Nevertheless, it remains true that NATO as a whole has an evident interest in the economic development and progress of the individual members. The Annual Reviews provide an opportunity for each of the members of NATO to inform itself on conditions in the other NATO countries and on any difficulties which those countries may be experiencing. Undoubtedly (Question 5) the member governments would wish to discuss and consider

sympathetically special economic difficulties brought to the Organization's attention by a member when the difficulties are an obstacle to that member playing its proper part in the coalition.

30. The Canadian Government wishes to emphasize the view that other international organizations can continue to play an important part in strengthening the economic position of NATO members and there would be no advantage to be derived from attempting to have NATO take over their functions.

31. It is the opinion of the Canadian Government that, in its present form, the OEEC plays a dual role of great value in the Atlantic Community (Question 2). In the first place, it is basically and essentially European although it is also intended to assist progress towards a broader multilateral trading system. It facilitates, through its many boards and committees, an exchange of information and a consideration of policies over the whole area of European production, trade, and finance. While some of its members can reach closer and more binding arrangements amongst themselves in particular economic fields, e.g. the European Coal and Steel Community, the OEEC facilitates the type of European economic cooperation and integration that is practicable for most European countries in most fields. At the same time, through its associate memberships, this essentially European body embraces the whole of the Atlantic Community. Through its continuous operations and intimate atmosphere, it contributes materially to the elimination of economic conflict and the encouragement of economic collaboration amongst the signatories of the North Atlantic Treaty. In this regard, it may be desirable to supplement the work of OEEC, from time to time, by economic discussions in the North Atlantic Council as indicated below. It may also be desirable to strengthen the participation of the United States and Canada in the work of OEEC, even if the nature of their association remains unchanged.

32. If the members of OEEC decided, on some future occasion, to invite Canada and the United States to become full members, the Government of Canada would consider such an invitation very seriously and sympathetically. At this stage, however, it seems desirable to observe that, with Canada and the United States as full members, the OEEC would cease to be an essentially European body, and that some of the momentum and drive towards cooperation amongst Europeans might be diverted into other channels and other bodies. Further, there are certain actions of the OEEC, of a regional character, which Canada can accept as an associate member but to which, as a full member, it might be difficult to give the formal agreement that would be required under basic rules of unanimity. Presumably the United States would be in a somewhat similar position.

33. It is the view of the Canadian Government that the economies of the NATO countries will be strengthened by steady progress towards the broadest possible system of multilateral trade and freer payments, for such a system involves the most productive and economic use of the resources available to the free world. In this system it should prove easier to avoid debilitating economic policies within the NATO Alliance and to minimize friction in the relations between members of the Alliance and other countries, thereby reducing the effectiveness of the Soviet economic offensive. For these reasons, the Canadian Government is convinced that the economic strength of the members of the Alliance will be enhanced by the increasingly effective application of the GATT and Fund principles.

34. The Canadian Government is a member of all the various specialized agencies of the United Nations and attaches great importance to their work. With improvements which may be introduced from time to time to meet changing circumstances, these organizations are capable of contributing substantially in their special fields to the creation of the kinds of conditions which the NATO countries have an interest in bringing about within the

NATO area and throughout the world. The Canadian Government would not propose any alterations (question 6(b)) in the statutes of such bodies as the International Monetary Fund and the International Bank, which have shown a considerable capacity to adapt themselves to the requirements of the situation but would hope for the maximum participation in them by NATO members. It is worth recalling that of the $2,500 million loaned by the International Bank since its inception, nearly $1,100 million has gone to members of NATO, and a further $675 million to associated monetary areas, and of the $1,200 million of Fund resources made available, $600 million has gone to NATO countries and a further $160 million to associated monetary areas. It may be expected that the newly created International Finance Corporation will also operate in a sufficiently flexible manner to enable it to function effectively in its field.

35. By playing an active role in these organizations the members of NATO individually can probably make a more constructive contribution to the solution of the wide range of problems with which these agencies are concerned than would be possible on any other and more limited basis. Questions relating to trade, finance, health, food, and communications are not primarily of a regional character. The unity of the members of NATO would not seem to require exclusively NATO arrangements for dealing with these subjects. The more fully the NATO countries are able to discharge their responsibilities as members of the broad international community the more healthy and durable will be their own association.

36. The Canadian Government considers that it would be proper and useful for NATO countries occasionally to publicize the constructive role which they are playing in the specialized agencies of the United Nations. It might be well for other countries and for the citizens of our countries to realize just how much the NATO countries are doing to promote economic cooperation through the established agencies. It would not, however, seem appropriate for NATO itself to enter into any formal relations with the individual specialized organizations (Question 1).

37. Turning finally to the functions which NATO itself might appropriately carry out in the economic field there are, in the opinion of the Canadian Government certain important functions for which the Organization is well qualified. Reference has already been made to the legitimate interest of NATO in the economic position and development of its members, and to the opportunity afforded by the Annual Review in this connection. It may also be recalled that the Government of Canada took initiative in NATO in December 1955 to suggest that the Council discuss from time to time matters of general economic policy, particularly insofar as the policies followed by one member of the alliance may have adverse effects on the economic position of others. It would not be anticipated that such discussions in NATO would normally give rise to specific recommendations for action, but they would serve the useful purpose of leading to greater awareness of the impact of one country's policy in some particular respect of the economic strength of its allies, and might in this way have a real influence on policy. Such discussions might also have a bearing on the views which the individual members of the alliance expressed in other international bodies. It would seem desirable (Question 9) to leave it to the discretion of individual NATO Governments or the Secretary-General to determine whether, in addition to any consultations which may be taking place formally or informally elsewhere, it would be advantageous in particular cases to have some consultation in NATO before important economic questions are discussed in other international bodies, including those where the Soviets are represented. The way should certainly be left open for such consultations if any country or the Secretary General sees merit in them in relation to particular issues.

38. It is obviously of great importance to the strength and cohesion of the alliance that its members should avoid serious conflicts in their international economic policies (Question 3). The prospects of keeping to a minimum such conflicts among NATO members or between them and other friendly countries would clearly be greatest as the members of NATO approach most closely to a freely and efficiently functioning system of non-discriminatory trade and payments over as wide an area as possible. Equally, it is essential that any exceptional measures to promote exports or to dispose of surpluses should show a real regard for the interests of other countries, and should be designed to avoid interference with their normal commercial activities, and, in particular, not to create opportunities of which the Soviets can take advantage to the detriment of NATO.

39. If policies for one reason or another deviate from these general objectives, member countries should appreciate that almost inevitably the likelihood of friction in relations among them will be increase thereby. Economic conflict and political and defence cooperation are not easy to reconcile.

40. Despite the best efforts of the members of NATO, serious conflicts in economic policies may arise. In that event, the members should be prepared to deal with such problems in the appropriate manner and in the most suitable place. Often the GATT or Fund may be found to be the most effective instrument, or in other instances the OEEC. Occasionally it may be desirable for such matters to be raised in NATO itself, a possibility which was recognized in the memorandum already mentioned which the Canadian Delegation submitted to the Council in December, 1955. Whatever the appropriate mechanism (and that can probably best be determined by the countries involved in the particular case) the countries concerned in NATO should be willing to consult together when such conflicts occur or appear imminent.

41. The recent shift of Soviet emphasis to economic activity in its attempt to increase its influence among uncommitted countries is clearly a matter of great concern to NATO. NATO can play an important role in collecting and analyzing information regarding such activities and should act as a forum for the discussion of their significance, so that NATO governments may take appropriate action if any action is required (Question 7(a)). The Canadian Government feels that NATO should concern itself with any Soviet commercial activities which might affect the security of individual NATO members, or endanger the economic position or political independence of underdeveloped countries in whose welfare NATO has a substantial interest. The Exchange of information within NATO concerning such practices should bring to light cases on which all or some of the NATO members would think it desirable to consult. Arrangements already exist, of course, for regular consultations among NATO countries on Soviet purchases of strategic materials from sources within the area covered by the membership of COCOM and CHICOM. In connection with other aspects of Soviet economic activities the exchange of information should give rise to rapid and effective action by countries most directly interested and consultation in any case where concerted action seemed appropriate. While there may be cases in which it would be prudent for interested NATO countries to go out of their way in order to compete with the Soviet bloc (for example, in making purchases or sales at special prices or lending on exceptional terms), NATO countries should not allow such Soviet moves to disorganize generally the existing Western arrangements for purchasing and marketing goods or making loans.

42. In connection with trade or financial agreements with Soviet bloc countries, the Canadian Government assumes that NATO countries would ensure so far as possible that those agreements incorporate principles similar to those governing normal trade and commercial relations among Western countries.

43. The members of NATO individually and collectively have an interest in the improvement of living standards and the maintenance of political stability in many of the underdeveloped areas of the world. (Question 6(a)). The recent tendency of the Soviet bloc to engage in activities in this field is undoubtedly disturbing, even though in some instances Soviet aid to and trade with the underdeveloped countries may serve the purposes of NATO by strengthening the economies of those countries. In the view of the Canadian Government it would be desirable for NATO members to consult about these Soviet activities and their significance in order that they might take account of them in connection with their aid programmes and trade relations. It would not, however, appear to be appropriate or helpful for NATO itself to become involved in the provision of aid or the working out of trade arrangements with the underdeveloped regions. Moreover the Canadian Government would not consider it wise to have the direction of general aid or trade programmes distorted unduly by Soviet manoeuvres. The main emphasis should continue to be on strengthening the economies and the political and social structures of the underdeveloped countries. In general it would seem best that such aid as the individual NATO countries are able to make available should be supplied bilaterally or under international arrangements which are acceptable to the underdeveloped countries concerned, and which are capable of ensuring any coordination which may be necessary for the efficient execution of such aid programmes.

44. For similar reasons, the Canadian Government would consider (Question 7(b)) that the appropriate response to competition by the Soviet bloc in the field of contracts for public works in politically sensitive areas would depend on the facts of the particular case. It would not seem possible to generalize concerning all public works in such areas or even concerning particular types of public works.

45. It is not desirable that the aid which NATO countries give to underdeveloped countries in other parts of the world should appear to be politically motivated, which will inevitably be the case if such aid has a NATO label on it. One of the main reasons that the aid given under the Colombo Plan has been particularly effective and acceptable has been the absence of any evidence of political coloration (Question 8). There have, indeed, been other reasons as well, in particular

(a) the fact that its membership comprises all of the countries in the region covered by the Plan;

(b) the existence of reasonably efficient administrations in several of the key countries in the region;

(c) its reliance on direct contacts between countries which have a good deal of confidence in one another and which in many cases are joined together in other associations;

(d) the voluntary character of the general consultations which take place annually concerning aid and development programmes.

46. The most important factor, however, has probably been the fact that the assistance offered is not only without any political strings attached, but felt by the recipient nations to be so. United Nations programmes (including those being carried out by the International Bank and other specialized agencies) have this characteristic to a greater degree than most other arrangements. The preliminary views of the Canadian Government on the proposals for establishing a special aid fund under the United Nations have been made known in its answer to the U.N. Secretary-General's Questionnaire. This matter will, of course, be discussed further in various United Nations bodies over the next few months. The Canadian Government assumes that all members of NATO will be examining seriously the functions which such a fund under the United Nations might be able to perform in assisting the

underdeveloped countries to achieve economic and political viability and in facilitating the coordination of bilateral aid activities.

PART III — CULTURAL QUESTIONS

Increased cooperation in the cultural field might serve to strengthen relations between NATO countries, provide a larger measure of public support for NATO and encourage the feeling of belonging to an Atlantic Community.

General Comment

47. Since the NATO Alliance rests on certain common cultural foundations, much can be done to strengthen it through coordinated activities in the cultural field. Experience has shown, however, that in cultural relations, ideas quickly tend to outstrip resources. The aim therefore is to make the most effective use of our resources, and to concentrate on selected and coordinated major projects which command general support in fields not already covered by other organizations. In particular, as the line of cleavage along which the Atlantic community might most easily be split is that which separates Europe from North America, the Community's cultural activities should be strongly trans-Atlantic in character. Should, however, North American members of the Community be unable to participate in any particular activity, this should not inhibit the European members from acting to strengthen their own cultural relationships within the broader Atlantic framework.

48. In keeping with the principle of conservation and concentration of resources, a system of priorities for various projects should be agreed upon, having regard to their value to the well-being of the Community, their cost, and the need to avoid duplication of effort.

(Question 1a) Does your Government consider that these aims will be served by setting up a common research institute for Atlantic Community studies?

49. *(Answer)* In the opinion of the Canadian Government this is a project deserving serious and careful examination. It will undoubtedly be valuable from the point of view of the future of the Atlantic Community to conduct fundamental research and studies of the various aspects of the Atlantic Community, including those factors which unite and those which divide its members. No doubt many views will be expressed as to the most effective ways and means of carrying out such a project, and the Canadian Government is willing to participate with others, and with the assistance of a panel of educationalists, in further exploration of the possibilities of this project.

(Question 1b) Does your Government consider that these aims will be served by setting up a civilian version of the NATO Defence College in which short courses on political, economic, social and cultural problems of the Atlantic Community would be given to those in the position to influence public opinion, such as teachers, journalists, etc.?

50. *(Answer)* If proposals of the kind referred to in the previous question are to be examined thoroughly, the project in question 1(b) should be dealt with in the same study. In this connection, consideration might be given to broadening the basis of the NATO Defence College by having more civilian students, and by adjusting the curriculum. Possibly the College might be used to hold short seminars for the purposes indicated when the normal courses are not in session.

(Question 2) Does your Government consider that NATO should encourage cooperation between youth movements in NATO countries, bearing in mind the coordination of youth activities in communist countries? Should the Council discuss youth cooperation problems?

51. *(Answer)* Canadian youth movements are voluntary in character. While it might be possible to include NATO in the field of interest of existing youth movements in Canada,

the possibilities of international cooperation on a NATO basis are a matter for the organizations themselves, and arrangements would be made directly between the organizations concerned.

> *(Question 3)* Does your Government consider that NATO should undertake the coordination of measures to increase the recruitment and training on a long-term basis of scientists, technicians and specialists, bearing in mind the developments in these fields in communist countries?

52. *(Answer)* The solution of this problem is directly related to the economic and military potential of NATO members including their ability to provide technical assistance to the under-developed countries in other parts of the world. This being so, it is of sufficient importance to warrant the organization's direct concern.

53. The Canadian Government therefore believes that the scope of the problem and the area of possible NATO cooperation should be precisely defined, taking into account studies already made in this field, and with the advice of highly qualified and representative experts. On the basis of such an examination, NATO Governments would then be in a position to determine what action on a NATO basis is practicable and should be undertaken.

> *(Question 4)* What educational activities, if any, should be undertaken by NATO to strengthen the ties of the Atlantic Community, which are not already carried out by existing International Organizations such as UNESCO?

54. *(Answer)* The question of NATO educational activities is partly covered by our comments under questions 1 and 2. Insofar as the objective is to increase knowledge and mutual understanding between the citizens of member countries, member governments should consider what further step might be practicable to facilitate and encourage travel by and communication between the peoples of the North Atlantic area. This might well include the development of effective arrangements for bilateral exchanges of visits of students and other selected individuals.

> *(Question 5)* Would your Government favour the exchange of service personnel individually or in groups for the purpose of familiarising themselves with conditions in other member countries and for the promotion of goodwill?

55. *(Answer)* The Canadian Government supports in principle any initiative which may assist in promoting better understanding and goodwill between service personnel of member governments. It is with this objective in mind that it has encouraged the members of Canadian forces stationed in Europe to take advantage of their regular leave periods to travel to the various NATO countries, and to learn about the people who form part of the Atlantic Community. The Canadian Government is of the view, however, that such exchanges of visits on the part of service personnel, except when part of regular training programmes, are better left to individual initiative. The Canadian Government believes nonetheless that even outside the scope of official programmes of exchange of visits, ways and means remain available to national authorities to encourage individual travelling by service personnel, by impressing upon them the educational and other advantages of such travelling, and by assisting them, through information and other advisory services, in planning their visits.

> *(Question 6)* Which of the possible programmes under Questions 1, 2, 3, 4 should in the judgment of your Government be financed:
>
> (a) under a commonly finance programme;
> (b) on a joint user basis;
> (c) singly by member governments?

56. *(Answer)* It is not possible to comment specifically on methods of financing any of the projects discussed above until they have been worked out in greater detail. The Canadian Government would naturally be willing to examine the need for common or international financing in connection with acceptable projects where this method seemed appropriate.

PART IV — INFORMATION QUESTIONS

Increased cooperation in the information field particularly under the conditions of competitive co-existence and the new Soviet policies, might serve to increase support for NATO of a well-informed public opinion and thus increase the unity of the Alliance.

General Comment

57. In addition to the informational tasks to be considered in keeping NATO members better informed of the organization's activities, attention should also be paid to the tasks of explaining and reporting on NATO activities in non-NATO countries, including those which regard themselves as "uncommitted", and in programmes directed to the peoples of the Soviet and satellite states. The following replies suggest the extent to which this might be done.

(Question 1) Does your Government consider that the Information Service should concentrate on purely factual information about NATO?

58. *(Answer)* Nothing in the Information Service's terms of reference should preclude it from preparing, on demand, special studies on matters of common interest but not necessarily about NATO. This would be justified, for example, where the experience and information available to the combined membership would be of appreciably more value to such studies than that of any single member. There have been occasions when it would have been convenient to have had a NATO publication (e.g., on conditions in the Soviet Union) which could have been distributed inside Canada in response to requests. The Information Service should deal exclusively in factual information, but it should not necessarily be confined to information about NATO. Its activities in other fields, however, should be governed by the requirements of the member states. (See also Answer 2(c) below.)

(Question 2) Does your Government consider the necessity of a better coordination of efforts in the information field to deal with the Soviet initiatives in the propaganda field?

59. *(Answer)* There are four areas to be considered under this heading:

(a) Activities within the NATO area;

(b) Activities within countries closely associated with NATO Powers;

(c) Activities in the "uncommitted" countries;

(d) Activities directed toward the Soviet bloc.

60. Under (a) it is obvious that arrangements for distribution of NATO information within the territories of member states should conform to the wishes of the country concerned. Some governments will doubtless wish to retain the exclusive responsibility for distributing NATO information within their own territories. In those member states where the government itself does not wish to be too active in the NATO information field, consideration might be given to the idea that representatives of other NATO members in such countries might include a proportion of NATO information in their normal information service.

61. Regardless of the manner in which information is distributed within the NATO area, there is obviously a great advantage in coordinating activities. It would, therefore, seem

appropriate for the NATO Secretariat to suggest common approaches for the treatment of NATO problems and, in addition to providing factual material about NATO, it might, on request, provide some degree of coordination in counter-Communist propaganda for domestic purposes. Under (b), similar principles might be developed in cooperation with friendly non-NATO governments for improving understanding of NATO purposes.

62. Under (c), there are indications of increasing mistrust of NATO among the peoples of the "uncommitted" nations. NATO should consider what steps could be taken to present its case in a more favourable light among the uncommitted countries, and particularly in the Middle East. For example, the NATO Secretariat might prepare a paper for the guidance of the diplomatic missions of NATO countries in the uncommitted countries. The various NATO governments might then, on the basis of this paper, instruct their missions in these countries to try to remove any mistaken impressions about NATO which may have developed. Specifically, the representatives of NATO countries might be instructed:

(i) To explain to government officials, journalists and others with whom they come in contact, the aims and achievements of NATO, and continue to keep them informed of developments within the Alliance;

(ii) To attempt to disseminate factual information about NATO as appropriate to the general public by means of public speeches and interviews, joint film showings, distribution of publications, and the regular provision of material to newspapers and radio stations on developments within NATO.

63. In addition, the NATO Information Service might consider preparing pamphlets and other information material specifically for use in the "uncommitted" countries. (See answer to Question 1 above.)

64. Under (d), the coordination of radio broadcasting and the exchange of experience relating to the distribution of information in Soviet and satellite countries might be a function of the Information Committee comparable to the present exchange of information which takes place on the subject of contacts with Soviet and satellite countries. As a form of political consultation it would be useful and appropriate for member states to exchange views on the lines that might be adopted by their international broadcasting services on issues of common importance. As a minimum, member states should be prepared to inform NATO of the general lines their broadcasts have followed in order that flat contradictions might be noted and possibly avoided in future broadcasts.

(Question 3) Does your Government consider that reciprocal visits of professional groups such as teachers, journalists, etc. should be extended?

65. *(Answer)* (See Part III, Question 4 above concerning exchange of professional groups.) Visits of publicists have been extremely valuable both from the national and from the Community viewpoint. There is, however, a saturation point and, in Canada, the organizations whose cooperation is necessary for success would probably not be able to deal with more than two tours a year.

(Question 4) Does your Government consider that cooperation between the NATO Information Service and national information agencies, governmental as well as private, should be improved?

66. *(Answer)* Inside Canada the Government gives the material provided by NATO Information Service possibly slightly preferred treatment over material provided by its own service. So far as the Canadian Government has the facilities for distributing information, it will continue to see that all information received is put to the best use. Replies to other questions might suggest fields to which this cooperation might be extended. We would, for example, be prepared to keep NATO informed of the general lines of the political

broadcasts of the Canadian Broadcasting Corporation International Service. Some useful purpose might be served if the NATO Information Service or the Political Division were kept informed of what national information services were doing in areas of interest to the organization as a whole.

(Question 5) Considering the importance of the impact on public opinion of extending political consultation in NATO, has your government any suggestion on how far to go in keeping the public informed of activities in this field?

67. *(Answer)* It would be unwise to assume that NATO members will be able to engage in serious political consultations on sensitive issues, and simultaneously make informational capital out of these consultations without diminishing their value. The greatest value of NATO consultation will be lost if privacy cannot be assured when sensitive matters are under discussion. Information activities centering about political consultation cannot be divorced from the substance of such consultations, and if the substance is regarded as of prime importance, it must be recognized that the dissemination of information about this activity must inevitably inhibit the candid exchange of views. It is important to recognize that just as there are occasions when the widest possible publicity is called for, there are also occasions when it is vitally important that no information should be given out. The public might be informed at appropriate times and in general terms of what is being talked about, and when a collective view is reached, it should be made known; but details of discussions and the viewpoint of any particular member should not be revealed. When basic decisions are taken, the public should be as fully informed as possible.

Conclusions

68. It is abundantly clear that different member states have different attitudes toward NATO's information activities. There is some reason to believe that the Information Service's terms of reference reflect the most restrictive of the views held of its activities. Without presuming that any member should be expected to change its attitude in this regard, we consider that the Information Service should have the authority and the funds to enable it to respond to any reasonable demand made on it by NATO members. Obviously the cost of providing any particular service will have to be examined in the light of its usefulness to the Community as a whole, and the number of members likely to avail themselves of the service.

69. If the Information Service and the Political Division were to be allowed to operate on this basis it would involve activity in the following fields:

(a) Information about NATO as an organization and about its activities as an entity;

(b) Information about member states, interpreting each to its fellow members and, possibly, to the world at large;

(c) Information about conditions in countries outside but of concern to NATO; in "uncommitted" countries; and in the Soviet and satellite countries;

(d) Coordination of national information service activities relating to (a), (b) and (c) above.

The results of these activities would be available to member states in appropriate forms for use on request. A minimum guarantee of use would, of course, have to be given by interested members before the provision of such services could be justified.

70. The material provided could be used in the following ways:

(a) Within the NATO area:

(i) NATO Information Service, if expressly requested by a member state, might undertake direct distribution;

(ii) Each national information service could continue to distribute material within its own territories, as at present;

(iii) Missions of member states might undertake to include some of the material as a part of their own information service within the territories of other members.

(b) In non-NATO countries (including Soviet and satellite) as appropriate:

(i) The material provided might be used as a means of coordinating the approach of NATO members in information activities directed toward the various non-NATO countries and groupings;

(ii) It might be distributed by NATO members as a part of their own information services in these countries.

71. Each member state would, of course, have to decide for itself the extent to which it would be willing to participate. NATO might provide the material — if sufficient interest is displayed — and arrange coordination and provide advice on tactics to be employed in any particular area.

PART V — ORGANIZATIONAL AND FUNCTIONAL QUESTIONS

(Question 1) What specific changes in procedure or organizational arrangements would your Government recommend to ensure closer and more effective consultation in the Council to improve and extend NATO cooperation in non-military fields and to develop greater unity within the Atlantic Community?

72. *(Answer)* The Canadian Government makes a distinction between the procedural and organizational arrangements within the Organization. On the organizational level, the Government considers that the present machinery is adequate to ensure closer and more effective consultation in order to improve and extend NATO cooperation in non-military fields and to develop greater unity within the Atlantic Community. The Canadian Government considers that the various bodies within the Organization which have been established to assist the Council to discharge its obligations, including planning committees and working groups, are adequate to handle any matter which might require detailed study, provided sufficient flexibility is maintained in their terms of reference. The efficiency of the Council and the smooth handling of the preparatory work required might well, in fact, be impaired if there were to be an excessive proliferation of such subsidiary organs within the Organization.

73. The Canadian Government considers, however, that certain modifications in the present procedure for meetings of the Council would be conducive to a more effective consultation and should thus improve cooperation in non-military fields.

74. The practice of holding two regular meetings during the year, one attended by Defence, Finance and Foreign Ministers, and the other by Foreign Ministers to examine political problems in general seems to have proved satisfactory; in the view of the Canadian Government, however, this represent a minimum, and Foreign Ministers should endeavour to participate more frequently in regular Council meetings on an informal basis whenever their other duties permit them to do so. Not all Foreign Ministers need attend such informal meetings at the same time, but a more constant exchange of personal views between NATO Foreign Ministers would strengthen political consultation. This would seem particularly desirable when difficult and delicate problems arise involving conflicts of interest and views between members of the Alliance.

75. The Canadian Government is further inclined to give favourable consideration to the suggestion that Ministerial meetings of the Council may not necessarily be held in Paris. Public opinion in NATO countries will probably benefit from having Ministerial meetings

held from time to time in the respective member countries. There should not be too rigid a plan for deciding on the venue of such meetings, but if they are to be held away from the Headquarters, regard should be given to appropriate geographic distribution. One possibility to be explored is to take advantage of the presence of Foreign Ministers in New York for the opening of the U.N. General Assembly to have an extra Ministerial meeting of the Council.

76. As regards the time devoted to Ministerial meetings, it is the opinion of the Canadian Government that it is essential that enough time is made available to ensure a thorough and beneficial examination of the problems on the agenda not only in the Council but also in informal and private consultation between Ministers. This involves not only setting aside much more time than has been the case in the past for such meetings, but also having governments pay more attention to the preparatory work on the problems to be discussed.

77. While member governments should be encouraged to send as their permanent representatives to NATO individuals as fully qualified as possible to speak for them, it may be useful also if senior officials from their home offices were sent some time in advance of regular Ministerial sessions to assist in this preparatory work. Senior experts might also be sent to aid in consultations on special subjects. The task of the Council might also be facilitated if member governments were to develop the habit of circulating position papers outlining their views on current issues.

> *(Question 2)* To what extent does your Government consider that experts could be used more either on a permanent or ad hoc basis, to assist the Council in the process of political consultations?

78. *(Answer)* The Canadian Government views with favour the assistance on an *ad hoc* basis which experts could render the Council in the process of political consultation. Governments should be encouraged to send their experts most familiar with their thinking on any given problem under discussion in the Council to assist their Permanent Representatives and to consult with their counterparts. Such arrangements should be kept flexible and under the continuing control of the Council.

> *(Question 3)* To what extent should the Secretary-General play an active role in the field of political consultation, and to what particular types of problems should such a role extend?

79. *(Answer)* The Canadian Government believes that the Secretary-General should play an active role in political consultation. In addition to helping the Council to arrive at a consensus on political problems, the discussion of which may be initiated by member governments, the Secretary-General should feel free to propose matters for discussion which in his judgment may substantially affect the unity or effectiveness of the Alliance. However, it is recognized that in order to enable the Secretary-General to fulfil such a function, he should be kept fully informed on the thinking of member governments on questions of common concern to the Alliance. This information should be transmitted by member governments to the Secretary-General through their permanent delegations, where possible in advance of Council discussions.

80. The Secretary-General, through periodic visits to member governments, as well as through contact with Permanent Representatives, is in a unique position to help in any situation where informal consultations would lead to greater understanding among member governments, and contribute to the unity of the Alliance. In addition to the authority to raise any matter of common concern for discussion in the Council, therefore, the Secretary-General should not be precluded from taking the initiative in offering and pro-

viding in such instances whatever informal good offices might appear to him to be conducive to the conciliation of divergent interests between member governments.

81. To facilitate this role in political consultation, it is our view that the Secretary-General should act as chairman of the Council (rather than as Vice-Chairman as at present). The Council might thus derive an advantage through being able to make the fullest possible use of the Secretary-General's continuing and special knowledge and experience in NATO affairs.

> *(Question 4)* In view of the economic responsibilities of NATO, and those in prospect, what organizational changes, if any, does your Government consider are required to discharge them?

82. *(Answer)* The Canadian Government believes that no basic structural changes in the organization of NATO are required to deal with the present and foreseeable future economic responsibilities of NATO. Given the necessary flexibility, existing NATO bodies, including committees and working groups, should be able to initiate whatever action or study is requested by the Council. As circumstances warrant, *ad hoc* groups of experts could be set up within the established bodies and consultants drawn from outside the Organization as their services are needed. While Canada shares the view that NATO should not assume responsibilities now discharged by OEEC or other international economic agencies, it is considered that member countries should make full use of the facilities provided by other international agencies in the economic field in an effort to avoid friction through conflicting economic policies which would affect the interests of the North Atlantic Community.

> *(Question 5)* Does your Government consider that greater use should be made of NATO machinery for the circulation on a NATO-wide basis of "basic position material" by individual governments (e.g. texts of agreements, basic statements of position, etc.)?

83. *(Answer)* The Canadian Government is of the view that it would be in the general interest of the Alliance for member governments to make available for background information "basic position material" which would help the Alliance as a whole in the consideration of problems of common concern and assist individual governments to understand more fully the reasons for the position adopted by any particular member country on an issue which is its special concern, but which affects as well to varying extents other members of NATO. Such material, within the limits of domestic security restrictions, might be circulated through the respective permanent delegations to other delegations and to the Secretary-General.

> *(Question 6)* The suggestion has been made that a closer relationship might be established between NATO and the United Nations, possibly establishing the position of NATO as a regional organization in the terms of Chapter VIII of the United Nations Charter. What are the views of your Government on this question?

84. *(Answer)* The Canadian Government considers that NATO is an organization whose purposes are wholly consistent with the provisions of the United Nations Charter, and that, for the present, there is no need to take formal action to establish the position of NATO as a regional organization in terms of Chapter VIII of the Charter.

538. DND/21371/CSC-1797-1

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1164 London, August 24, 1956

SECRET. IMMEDIATE.
Reference: Your DLDL 165 Aug 21.†
Repeat NATO Paris, Paris, Washington (Information).

NATO COMMITTEE OF THREE QUESTIONNAIRE — UK REPLIES

We called on Bushell, Assistant Head of the Western Organizations Department, for an informal discussion on the UK replies to the NATO questionnaire. As suggested, we used as a basis for our talk your recent memo to Cabinet, without disclosing the source.

2. Bushell confirmed that the UK approach to questions was on the whole very similar to the Canadian one, and that the only difference might be one of emphasis in some of the replies. He said that the UK attitude to the whole exercise could be described as an expression of British mentality in the sense that the Foreign Office do not wish NATO to be ruled by a set of fixed principles or procedures. They feel that the present machinery has given good results in the last seven years and that there is no need for a general overhaul. Flexibility is considered as a sound principle which has proved also to be a very wise one.

3. Bushell said that from the UK replies it clearly appears that as far as the UK are concerned political consultation is considered as the more important factor. They wish more depth and reality to be given to such consultation. To obtain that goal one urgent step would appear to be that the climate of confidence and trust be restored. How can controversial issues be fully discussed in the Council if one country is not confident that information of a secret nature is not to leak out? Without making specific reference to Greece, one is inclined to feel that in view of the recent difficulties between these two countries, there is among UK officials a reluctance to refer certain issues to the Council. This might also account for the UK emphasis for more restricted sessions.

4. Of course there are factors which have to be taken into account and are bound to limit the scope of political consultation, one of which is that national governments must retain final responsibility with respect to national policies. The UK replies also made it clear that they are not prepared to accept at this stage automatic obligation to consult or to accept advice given in the Council. Similarly, they consider that governments offering advice cannot be held to share in the responsibility for a policy on which their advice has been sought.

5. Another point in the UK replies which is of some importance deals with the need for Permanent Representatives to be better informed of problems before the Council. Bushell said that in a way Permanent Representatives are acting as in some sort of Parliament and are expected not only to make official statements but to be able to answer questions on specific points of policies. In certain instances Permanent Representatives are not fully informed of the thinking of national governments or of the formulation of national policies before these are finalized. There is improvement to be made there and also a need for

Council agenda to be prepared with more care. If these were achieved, perhaps there would be no need for more frequent ministerial meetings.

(For Ottawa Only)

6. We were not able to go into much detail, but during our conversation Bushell volunteered to make available to us the full text of the UK replies on the ground that they would enable Mr. Pearson to be better prepared for his talks with the Foreign Secretary. We sent two copies to you by today's airbag, under cover of our letter 1384.†

7. We are wondering whether we could not reciprocate and make available to the Foreign Office more information on the Canadian replies. Could we not, for example, give them a copy of your memorandum to the Cabinet of July 30 1956? We would strike out the reference to the Cabinet and also paragraph 12. It seems to us that such information would enable the Foreign Office to brief Mr. Lloyd before the Minister's arrival.

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539. L.B.P./Vol. 46

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1448 Paris, September 8, 1956

CONFIDENTIAL
Repeat Washington, London (Information).

NATO COMMITTEE OF THREE

The preparatory work got off to a good start on the basis of the procedures outlined in DL176 of August 27† which were found generally acceptable to the others.

2. A draft working paper setting out possible recommendations has been prepared and will be considered by the Three Ministers at the beginning of next week. If this draft is agreed to it could, with the replies to the questionnaire, constitute the basis of discussion with them in their consultations with the committee which will go on as scheduled through next week and the following one.

3. I will keep you generally informed of progress but will not be communicating drafts as they will be constantly changing and in any case at this stage are the responsibility of the Committee of Three.

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540. L.B.P./Vol. 47

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1475 Paris, September 12, 1956

CONFIDENTIAL. IMPORTANT.
Reference: Our telegram no. 1448 of September 8.

Repeat Washington, London (Information).

NATO COMMITTEE OF THREE

The three Foreign Ministers have now agreed on procedures for consultations with other government representatives which are to begin today, September 12. To assist in the consultations, the following documentation had been prepared for the Ministers:

(a) working paper containing main questions of principle arising from country replies, which will be made available to government representatives;

(b) briefs on main points contained in each of the country replies and on degree to which the approach taken by each country is reflected in the present draft of the Committee's proposed recommendations.

2. The working paper mentioned in (a) above consists of an outline of points of possible draft recommendations prepared last week and is being presented to government representatives as first thoughts for basis of discussion, without commitment either on the part of the Committee or of government representatives.

3. As three Ministers wish at this stage to avoid subsequent controversial discussion of various points which are to be taken up with government representatives, the latter are being asked to return the working paper following their consultations with the Committee of Three. Ministers are also anxious that consultations should bear on broad questions of principle, particularly in political and economic fields, and discussion of detailed proposals will therefore be discouraged.

4. The Committee has also considered request of Permanent Council for advice on the disposition of Survey of Article 2 activities. A Norwegian suggestion to have the Survey made available to the Atlantic Treaty Association for subsequent dissemination by that Association as its own product was approved, subject to a final review of the present text by the Permanent Council to ensure that any opinionated statements are deleted and that the Survey is strictly factual.

L.B.P./Vol. 47

541.

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representtion to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1514

Paris, September 17, 1956

CONFIDENTIAL
Reference: Our Tel 1475, Sep 12/56.
Repeat Washington, London (Information).

COMMITTEE OF THREE

The Committee of Three held consultations last week with representatives of Iceland, The Netherlands, Greece, Turkey, Belgium and Germany. It also heard spokesmen for the Conference of Parliamentarians and for the Atlantic Treaty Association. We are sending under separate cover copies of reports of each of these consultations.[38]

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[38] Non retrouvé./Not located.

2. Little new emerged from these interviews. The Germans made a most interesting and impressive presentation of their views, particularly on the "political annual review" which they had proposed. The Turkish and Greek representatives were both critical of the U.S. proposal on the settlement of disputes; the former because the moral obligation which would be created might not be honoured, and the latter because the obligations and sanctions were not strong enough.

L.B. PEARSON

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542. L.B.P./Vol. 47

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM Paris, September 23, 1956

CONFIDENTIAL

Reference: Our telegram 1514 of September 17.

Repeat Washington, London (Information).

COMMITTEE OF THREE

1. Three Ministers had final meeting yesterday September 22 at which they reached agreement on substance of report to be made to Council. Ministers intend to have the report, consisting of introductory chapter and recommendations on political, economic, cultural, information and organizational aspects, to be made public ultimately and the text is being revised with this in mind. It will be transmitted to governments, however, under a confidential covering note containing points of more controversial nature and which would not be appropriate for public release.

2. The remaining timetable agreed by the Ministers for winding up Committee of Three exercise stands at present as follows:

(a) Working group composed of one officer from each delegation, together with consultants, will remain in Paris until Wednesday to polish up drafting of certain parts of present text and to prepare list of points which should go in the covering note to governments.

(b) Complete draft will be sent to Ottawa for final editing by me and for drafting of covering note on basis of list of points prepared by working group, which will then be sent to the other two Ministers.

(c) Three Ministers will meet in New York a few days before opening of U.N. Session for final approval of report and of covering note.

(d) Final text will be despatched to Secretary General for immediate distribution to governments through permanent delegations in Paris.

3. Ministers have also agreed on text of press release about conclusion of present consultations which will be available in Paris for Monday morning editions. Text of press release will be found in my immediately following telegram† and is the only information to be given out.

4. Ignatieff will represent us on Working Group and will not therefore be accompanying me to Iceland. He will return direct to Canada on North Star of NATO journalists, ETA Ottawa September 28.

L.B. PEARSON

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543. DND/2137/CSC-1797-1

Le chef de la délégation à l'Assemblée générale des Nations Unis à la délégation auprès du Conseil de l'Atlantique Nord

Chairman, Delegation to United Nations General Assembly, to Delegation to North Atlantic Council

TELEGRAM 1252 New York, November 15, 1956

CONFIDENTIAL. IMPORTANT.
Repeat External (Information).

COMMITTEE OF THREE

The Committee met November 14 in New York and approved a revised text of the report. They will meet again Friday to approve the revised cover note and a communiqué on their New York meetings.

2. In order to assure maximum time for consideration of the report by governments, the Committee agreed to communicate a copy of the report to the Representatives of all other NATO government in New York on a confidential basis.

3. As regards publication, the Committee recommends to the Council the release of the report not later than the opening day of the December Ministerial session.

4. When ministers have approved the communiqué, text will be sent to you for communication to the Secretary General.

5. Please advise Secretary General of the foregoing arrangements, asking him to inform Council.[39]

L.B. PEARSON

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[39] Pour obtenir d'autres documents sur les travaux du Comité des Trois sur la coopération non militaire et son rapport final, voir la 5e partie.
For additional documentation on the work of the Committee of Three on Non-military Cooperation and its final report, see Part 5.

4e PARTIE/PART 4

RÉÉVALUATION DE LA STRATÉGIE DE L'ALLIANCE
REAPPRAISAL OF ALLIANCE STRATEGY

544. DEA/50030-AG-1-40

Note du secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Secretary of State for External Affairs
to Under-Secretary of State for External Affairs

TOP SECRET Ottawa, July 10, 1956

Herewith a top secret memorandum on discussions I had in London and in Paris concerning changes in British defence policy. This should receive very restricted circulation, including, I should think, our Ambassadors in Washington, London, Paris, NATO, and Bonn, emphasizing to the latter that great care should be taken to ensure that the memorandum does not fall into unauthorized hands.

L.B. PEARSON

(Copies of the memorandum have been sent to the Prime Minister, the Minister of Finance, and the Minister of National Defence.)[40]

[PIÈCE JOINTE/ENCLOSURE]

Note

Memorandum

TOP SECRET [Ottawa], July 9, 1956

CHANGES IN BRITISH DEFENCE POLICY AND THEIR INTERNATIONAL IMPLICATIONS

This was, I think, the most important single subject that I encountered during our sojourn in London. Its implications, for NATO generally, and for Canada even apart from NATO, are very important and could be far-reaching. The story, as it concerns us, is as follows.

On Sunday, June 17, the day I arrived in London, I had dinner at the High Commissioner's with the Foreign Secretary, Selwyn Lloyd, together with Sir Harold Caccia, and Lord Hood of the Foreign Office. Lloyd told us that the United Kingdom Government had been re-examining the basis of its defence policy and would be significantly altering it to take into consideration new political and strategic developments. Changes were also required by economic and financial considerations, which necessitated some reduction of U.K. defence expenditures, which were proportionately higher than any other European country.

They had come to the conclusion that it was wrong to concentrate large forces for the defence of Western Europe when, in fact, the real defence of that area, as well as the most effective deterrent against aggression was the capacity of the U.S. Strategic Air Force to bomb Russia with thermo-nuclear weapons if an aggression took place. What, therefore, was the use of having 50 or 60 or 70 divisions which could never be effective for defence? Why not merely 20 or 30, as a screen on the frontiers, an attack against which would call into play the atomic deterrent? He called this the "trip-wire" theory of defence, though it also might be designated as "burglar alarm" strategy. It would mean a reduction of expenditures of all the NATO European countries for conventional defence and the removal of two U.K. divisions from the continent. Some of these troops would be demobilized and thus would ease the manpower as well as the financial burden.

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[40] Note marginale :/Marginal note:
Mr. Ignatieff: Mr Léger says also circulate (on read & return basis) to Heads of European & Economic & to Mr Watkins & Mr Holmes (& Mr Macdonnell on return). M. Wershof, July 11.

We were then told that a proposal embodying these new ideas (attached herewith)[41] would be submitted to Mr. Dulles in Washington. We were the only people to have seen it apart from the U.K. Cabinet.

My first reaction to this proposal was that it made sense in terms of defence strategy. Indeed, it would help us solve one of our most difficult Canadian problems by facilitating the eventual withdrawal of some Canadian forces from Europe for use — in the case of the R.C.A.F. — behind the Early Warning Lines in Canada, in lieu of U.S. squadrons which otherwise might be stationed there. However, I also felt that if this British policy were to be implemented unilaterally, without consulting the NATO Council and without trying to secure a new, and agreed, defence directive, the political results might easily be disastrous, especially in Washington and in Bonn, and for NATO itself.

It seemed to us, therefore, that it was of vital importance that the British should not act too quickly or on their own. Lloyd, however, was worried about delay and said they might have to make this a "bolt from the blue" operation. We strongly advised him to proceed carefully and slowly and above all to consult fully with the Americans as well as with the French and the Germans; and ultimately clear the matter through the NATO Council.

It would certainly prejudice the work of the Committee of Three on non-military co-operation if a decision of this kind were taken unilaterally without NATO even discussing it. What would be the use of talking about the virtues of political consultation in these circumstances?

Lloyd accepted all this but was worried about the time element. He said they could not wait beyond the middle of July. He was also fearful about a leakage if there was prior consultation. We impressed on him the impossibility of having this matter discussed, let alone decided, in the NATO Council within 2 or 3 weeks. I did suggest that, in order to avoid publicity, possibly a July meeting of the Committee of Three with the other members of the NATO Council, ostensibly to discuss our work, might be a useful cover for a defence discussion. Later consideration, however, made it quite clear that this would not be a very good device.

Mr. Robertson and I were thoroughly alarmed by the attitude of the Foreign Minister, and particularly by that of his officials, who were so preoccupied with the domestic aspect of this question that they did not seem to appreciate fully its international implications.

On Tuesday, June 19, Mr. Robertson and I saw Mr. Lloyd again, and several of his officials, at the Foreign Office. He told us that their Ambassador in Washington had now discussed their defence proposal with Mr. Dulles, whose immediate reaction had not been unfavourable, they thought. He read us a telegram from Makins, reporting on that reaction. I told him that I was absolutely convinced that they would be making a great mistake if they took this message to mean that the United States Government would not be strongly opposed to sudden unilateral action on the U.K. part of the type indicated Sunday night.

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[41] Non retrouvé./Not located.

Lloyd was worried, however, about the difficulty of clearing things in Washington at this particular time and also of the danger of leakages if there were discussions in Paris and in Bonn. We felt he should take that risk if the United Kingdom Government were, in fact, going to make an announcement in the House of Commons the following week about defence cuts, as he indicated that they would have to do. I told him that I would be in Paris the rest of the week and would like very much to discuss, on a personal and confidential basis, some of these matters, both with Ismay and Gruenther. It seemed to me that not only the work of the Committee but the whole future of NATO was at stake on this issue; as well, indeed, as the fortunes of the Adenauer Government. I was convinced that the British, from the strategic point of view, were on the right lines, but I was equally convinced that if they carried out their ideas in the wrong way the results might be disastrous. On the other hand, if these changes could be made in the right way, we could exploit them in discussions with the Russians, not only in respect of the reduction of armaments, but also of the unification of Germany. We would have some new cards to play if we had enough skill and will to play them.

I found out in Paris that both the people at the Quai d'Orsay and the Italian and Norwegian Foreign Ministers, my colleagues on the Committee, were aware that something was happening in London. Stories, though vague and general, in the press, indicated that far-reaching decisions were being considered by the U.K. Government in the field of defence. Both Lange (Norway) and Faure (France) indicated to me their anxiety about these developments. "Pug" Ismay was more than anxious. He was acutely distressed at the possibility of NATO being by-passed by the U.K. I have seldom seen him so exercised, and he was very critical of U.K. policy and tactics, even though he also felt that the ultimate objectives might be sound. He asked me to have lunch with him alone so that he could talk to me very frankly, and he did; even to the point of suggesting that he would not remain on as Secretary-General if his country "let him down" in this way. He was considering taking the initiative in calling a meeting of the Council to discuss the matter, or asking some government to do so. I told him that I shared his anxiety but I advised him strongly to do nothing as I felt that the U.K. Government were now giving second thoughts, at least to procedure. I promised to convey his worries in a very personal and confidential way to the Foreign Secretary and said that I would report to him again after I had had further talks in London. He thought, and I agreed with him, that there should be a special ministerial meeting of the Council at the earliest possible date, probably in September, to try to agree on a new defence directive. As this would be primarily a political decision, though with vital military implications, the initiative should come from the Council and a decision on policy made there. I left Ismay, I think, in a better frame of mind than when I found him.

I was unable to see General Gruenther as he had left for the United States the day I arrived in Paris.

On my return to London I saw Selwyn Lloyd late Sunday night, June 24, and told him about my talks in Paris.

Lloyd had had further word from Washington and, as I expected, it was less favourable than Dulles' first reaction. The Americans are very worried and in no position at this time, with the President out of action, even to discuss the grand strategy of defence. They also have their own strong differences of opinions which cannot be resolved in a hurry. So Dulles does not want any meeting of NATO until after the election, and Lloyd says they simply cannot, nor should not, wait so long. He told me, "very, very confidentially", that

Radford was favouring their ideas, but Gruenther, now in the United States, was strongly opposing them.

Fortunately, Harold Macmillan did not announce any far-reaching changes in defence policy, when he made his statement on "outs" to the House of Commons Tuesday (June 26). They will now suspend such a policy statement as long as possible, a decision which removes some of our anxiety. But they are impatient at American delays and insist on a NATO meeting by September. However, it seems that our warnings and worries have had some effect here.

On Wednesday night (June 27) at the Palace, after dinner, I got into a corner with Anthony Eden and we had quite a talk, mostly about defence and Cyprus. He was aware of the international implications of the new U.K. defence plans and agreed that they should not be announced without NATO consultation and as part of a NATO agreed plan for Western Europe. He emphasized, however, that they could not wait forever. He had discussed the new strategy with Montgomery who was all in favour of it (though his NATO chief was not) and had put his approval in writing in a personal letter. I was shown (on a personal and confidential basis) a copy of that letter which was a typical Montgomery production, short, sharp and dogmatic. Montgomery thought that a U.S. Corps and a U.K. Corps on the continent quite adequate, with reductions also in continental conventional forces. Eden had been told of our feeling that if NATO were allowed to deal with this matter, it could be exploited to our diplomatic advantage with the Russians. He was very interested in this and seemed to appreciate our views. He is aware of the difficulties and dangers that may arise in Bonn and Washington. I tried to underline both. "If only", he said, "Ike could take hold".

Thursday I lunched with Lloyd and Mountbatten at the latter's house. I arrived first and Lord Louis told me how useful it was that we had impressed on the people here the dangers of the course some of them were contemplating. Like us, he had no objection to the policy itself, but was very worried about the method of announcing and implementing it. Unless care was shown, it would break up NATO and he was convinced that this would be a major disaster. He proposed to talk to Lloyd along these lines at lunch and hoped I would back him up. He did and I did! It was a good talk.

That night at 10 Downing Street, after dinner, Salisbury, who is a great power in the Cabinet, said that Mountbatten had been reporting my views to him. He was very interested, he said, and would I come to Hatfield House for the weekend where we could follow the matter up.

So Saturday evening, after I had pored over some of Elizabeth's and Mary's original letters, the first Cecil's diary, etc., — what a treasure house that place is — we had a long talk along familiar lines. Salisbury seemed to me somewhat more concerned with the domestic, than the international aspect of the problem.

Mr. Ritchie had come over to see me from Bonn on Thursday and left with me a very good memorandum† on the effect of the proposed changes of U.K. defense policy on Germany (copy attached). I had a copy of this with me and thought it would be a good document for Salisbury to see. He was very much impressed by it and I think that after reading it he was more aware of the international difficulties involved in policy changes.

On Friday, I had phoned Ismay and told him in guarded language of my talks here and my hopes that things were now on the rails; that Macmillan's statement in the House of Commons on defence cuts could be implemented without any policy changes and was a holding operation prior to NATO talks. Ismay was relieved and gratified.

On Friday, late afternoon, I also had a word with Selwyn Lloyd about an idea which Charles Ritchie and I had discussed; that Hallstein should come to London to talk with me about German views on the work of the Committee of Three and that, during his visit, which would not, I hope, receive any publicity, Foreign Office people could discuss with him these European defence problems. Lloyd was attracted by the idea, but, after weekend discussions with others, phoned me on Tuesday to say that, on the whole, they thought that it was too risky. The Americans might hear of the visit and accuse the British of trying to alter the policy of the Adenauer Government before agreement had been reached between Washington and London. Perhaps he is right about this. In any event, Hallstein will not be coming.

On Tuesday afternoon the Commonwealth Prime Ministers discussed defence questions at a restricted meeting. During this meeting Eden had the following to say in language which was almost exactly that which I had used to him the other night.

"... The United Kingdom would not however take any unilateral action in adjusting her forces committed to the North Atlantic Treaty Organization. Any alterations would be discussed with the other member countries. There was a further reason for making some adjustment to meet the changed circumstances. At present the political initiative lay with the Russians who had announced their policies for Eastern Germany and had made the maximum use in their propaganda of the reductions in their armed forces. It would be desirable therefore for the members of the North Atlantic Treaty Organization to agree on some counter measures, which could be put forward as a reply to the Russian moves and indicate their willingness to discuss with Russia further measures for the relaxation of tension in Europe. Only by producing imaginative policies would the Western Powers be able to gain an initiative from the Russians."[42]

I should conclude this story by an account of a visit I had on Wednesday (July 4) at Canada House with General Gruenther, who was returning to Paris from Washington via London. He was much perturbed at the British suggestion for an early meeting would do more harm than good at this time, especially as governments would not be prepared for it. I told him that while this might well be true, nevertheless NATO governments were all giving serious thought to new defence policies and plans, and it would be an unhappy development for NATO if decisions in this field were made unilaterally. I indicated that while the British a few weeks ago were talking of a July meeting, they were now quite willing to wait for some time, but not indefinitely.

Gruenther, who had just come from seeing Selwyn Lloyd, said that what the NATO military authorities required was a political view from each government on defence strategy. If they could get this, they could press ahead with their military examination and be ready, he thought, to report to the Council by October. He had expressed this view in Washington where, incidentally, he had, so he said, received fairly rough handling from congressional committees on defence policy. I told him that my own view was that if a military examination was completed by October that would be satisfactory, and we should be able to postpone a Council meeting until soon after that date. I suggested he talk over the whole question with Ismay when he got to Paris, but keep in mind that the situation in London now, in regard to premature or unilateral action, was much better than Ismay might think on the basis of information he had received a couple of weeks ago.

I think this whole business is now "on the rails" but a lot of hard thinking on defence policy will have to be done by the NATO countries within the next few months. Some far reaching decisions will then have to be taken and these may vitally affect NATO's future as well as the defence policies of its members.

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[42] Voir aussi/See also Document 653.

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545. DEA/50030-AG-1-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

TOP SECRET Ottawa, July 10, 1956

REAPPRAISAL OF NATO DEFENCE POLICY

On June 27 I sent to Mr. Martin, as Acting Minister, some notes† on the implications of the United Kingdom proposal for a reappraisal of NATO defence policy. Mr. Martin subsequently used these notes (copy attached) for a brief report to Cabinet on the matter.

2. The Norwegian Government has now since raised in the North Atlantic Council (telegrams No. 1038 of July 4† and No. 1058 of July 6† from NATO Paris, copies attached) the question of a military reappraisal, on the grounds that recent trends in Soviet policy may justify a reduction of the defence efforts of the NATO countries. In his explanatory statement on July 4, the Norwegian Permanent Representative said that current press reports suggested that there exist differences of opinion between member countries regarding the support that should be given to defence programmes, and that the pressure was growing for reducing defence expenditures. For these reasons, the Norwegian Government wondered whether the time had not come to call a Ministerial meeting, which could take place sometime in September to coincide with the Committee of Three consultations.

3. Up to last week, neither proposal implied that this military reappraisal should be done through the normal procedure provided by the Annual Review process. Both proposals were, in fact, silent on how exactly the details of this reappraisal should be carried out; the only specific point was on timing, the U.K. proposal favouring immediate action.

4. The exchanges of views which have taken place in the Council on these two proposals have indicated agreement among NATO members that a reappraisal is needed, and that the Alliance should really have another good look at its present strategy and defence policy. You will recall that in his initial reaction Mr. Dulles was reported to be in favour of some "scaling down" and so was Admiral Radford. Moreover, like ourselves, Mr. Dulles seems to favour a procedure which would avoid unwelcome publicity, and has suggested handling the matter through the Annual Review (telegrams No. 1202 of June 26† and No. 1265 of July 6† from Washington, attached).

5. We have conveyed to Mr. Wilgress as official views of the Department (telegrams No. DL-951 of June 26 and No. DLDL-9 of July 4 from External, attached) that we were in agreement with the need for a military reappraisal, and that in our view such a reappraisal was probably overdue. We made, however, two main qualifications; first that we did not think that undue publicity should be given at this stage to the whole problem of reappraisal, that therefore an emergency Ministerial meeting might not be the best procedure from this standpoint, and that the reappraisal might be carried out through the normal Annual Review processes, which begin towards the end of July each year and continue until the regular Ministerial meeting in December. We indicated at the same time that we would not object, if the majority of the members so desired, either to a suggestion of a

Four-Power group to which the task could at least initially be assigned for negotiation and study, or to a special Ministerial meeting as part of the Annual Review procedure.

6. The Chairman, Chiefs of Staff, has expressed agreement with our reactions to the United Kingdom and Norwegian proposals (telegram No. DLDL-15 of July 6† to NATO Paris, attached). General Foulkes suggested, however, that, "if this reappraisal is to be based on a relaxation of the threat, the Permanent Council should start to work on this premise immediately". What would be required, in his view, is a re-assessment of the risk, and if it is agreed that the risk of war has considerably receded, the Council could then make recommendations as to what risk the governments should be prepared to take in authorizing the reduction of forces.

7. Even with the best information available, the Council could never assess accurately the intention of the leaders of the Soviet bloc. What can be evaluated, however, with some degree of accuracy, is whether the military capabilities of the Soviet bloc have decreased or not. If in fact we find that the present war potentials of the Soviet bloc are at least qualitatively as strong as they were three or four years ago, governments would surely have to conclude that the threat has not been substantially reduced. This does not rule out, however, a reappraisal of priorities which we have been urging to enable the best military use to be made of available resources, talking into full account the new methods of warfare.

8. The military problem is underlined in the attached report received over the weekend from Bonn (telegram No. 186 of July 4†) which confirms that the German Government has fixed its defence policy to the present German-NATO goals and that in fact a study group of German ex-generals has just recently reported to the Bundestag the necessity for the defence of Germany of a 500,000 man German army and conscription with an 18-month period service.[43] The reappraisal originally envisaged by the United Kingdom authorities and motivated by economic and political considerations would therefore mean a complete reversal of present German defence policy.

9. We now need your guidance on the following points, in order to supplement the interim instructions which have been sent to Mr. Wilgress:

(a) My understanding is that you share the Department's view that there is a need for having a reappraisal of NATO's strategy and defence planning. Am I correct in assuming this?[44]

(b) Do you agree, however, that from the point of view of timing it would be undesirable to rush into this reappraisal in a manner which would give it unwelcome publicity and lead to its misinterpretation?[45]

(c) For these reasons, should we not try to have this reappraisal associated with the Annual Review process, preferably without the calling of a special Ministerial meeting to initiate it, if the problem is to be approached primarily from a military standpoint?[46]

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[43] Note marginale :/Marginal note:
We should give further thought to this question. I am not convinced that, given a general reduction of ground troops in Europe, the present German-NATO goals should be retained. J. L[éger]

[44] Note marginale :/Marginal note:
Yes [L.B. Pearson]

[45] Note marginale :/Marginal note:
Yes [L.B. Pearson]

[46] Note marginale :/Marginal note:
Yes—if the UK doesn't insist on an earlier meeting. [L.B. Pearson]

(d) Alternatively, if approached primarily from a political standpoint, would it be desirable to give support to the suggestion made by the United States that a Four-Power group could initially formulate some proposals to be considered by the other member governments in the Council, taking into account the possible implications of NATO defence policy upon the problem of German reunification?[47]

10. The most important next step from the Canadian standpoint would seem to be that of convincing the Department of National Defence of the necessity of taking action on a reappraisal of NATO strategy and defence planning, including Canadian defence policy, so that the necessary instructions would be given to the appropriate officials of that Department, and more particularly to those who will be participating in this year's Annual Review.

J. L[ÉGER]

[PIÈCE JOINTE 1/ENCLOSURE 1]

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM DL-951 Ottawa, June 26, 1956

TOP SECRET. IMMEDIATE.
Reference: My telegram No. C-941 of June 23.†
Repeat Canac Paris, Washington (Information).

UK PROPOSAL FOR REAPPRAISAL OF NATO DEFENCE POLICY — STRATEGIC IMPLICATIONS

Following for the Minister.

The strategic reappraisal implied in the United Kingdom proposal will of course require an extensive and detailed examination of over-all NATO defence planning in the light of an equally detailed indication of the U.K. plans. As a preliminary reaction, some thoughts have occurred to us within the Department which might be useful to you for reference in any further consultations you may have on this matter.

2. Although the United Kingdom proposal as set out in London telegram No. 809† adduces some powerful military reasons for a reappraisal of NATO defence policy, in the light of the atomic stalemate and new Soviet tactics, it would seem that U.K. views on timing and the implicit suggestion that substantial conventional force reductions are now in order, stem in considerable measure from its present domestic economic and political difficulties.

3. Although we have no precision on United Kingdom thinking on the type of reduction or modification envisaged in present NATO plans for the atomic deterrent or in conventional field, it is probably not unwarranted to assume, on the basis of your recent reports, and earlier statements on defence matters by United Kingdom ministers in the last six or eight months, that the United Kingdom government considers:

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[47] Note marginale :/Marginal note:
There is no reason why they should not do this without any formal proposal from the Council. [L.B. Pearson]

(a) In view of the atomic stalemate and new Soviet tactics, the present problem of threat of Communist aggression may be adequately met by a nuclear deterrent (possibly even less elaborate than at present envisaged) and with reduced conventional forces playing a limited role.

(b) That the military shield provided in Western Europe by NATO forces in its present state has more or less served its original purpose, and can now be reduced, with the ultimate possibility of its replacement by the ordinary national forces of the Western European members of the Alliance, presumably in terms of some mobile striking forces.

(c) That NATO planning for the build-up of a nuclear deterrent, which includes such items as early warning systems, forward scatter systems, extensive military and air installations and detailed logistic arrangements, is no longer justified to the extent at present envisaged, and should accordingly be simplified.

(d) That savings from downward revision of NATO conventional forces should be used:

(i) to bolster their national atomic potential in maintaining an effective nuclear deterrent; and

(ii) to increase their economic potential.

4. As you are aware, present estimates provide for a more or less full implementation of M.C. 48 by the end of 1959. More specifically, this requires the attainment of a forward strategy to provide a defensive shield to the east of the Rhein-Ijssel line which requires the complete planned German contribution as well as the tactical atomic capacity for NATO forces within this area. Measures must be developed for the adaptation of forces in being according to M.C. 48, to give them this atomic capability and the civil and military planning concepts must be revised and their problems delineated anew for the full implementation of M.C. 48 and its successor.

5. The problems which have prevented NATO from achieving the state of preparedness desired have included these:

(a) The lack of an adequate early warning system to counter the enemy advantage of surprise.

(b) The absence of uniform and agreed alert procedures, including the provision for emergency allocation of powers and forces to SACEUR.

(c) The limited degree to which national readiness measures have been studied and developed.

(d) Forces in being have been reduced in number or effectiveness below the anticipated requirements, causing a serious deficiency and delay in implementing a forward strategy.

(e) The slow progress achieved in the development of a sound air defence system for Europe.

(f) The inability of NATO forces as yet to prepare for the subsequent phases of any warfare as a result of their preoccupation with reaching the levels necessary for the initial phase.

(g) The lack of an established forward defence at sea capable of control and protection as well as for local offensives.

(h) The absence of a unified or adequate logistic system and other peace-time plans in order to provide for efficient operation and maintenance of both military and civilian requirements in the event of a sudden outbreak of hostilities.

6. In the case of the United Kingdom more particularly, the last Annual Review (1955) has brought out that despite recent improvements, the shortage of U.K. support units for

M-Day Forces stationed on the Continent and the delay in bringing major units to full war establishment remain two of the United Kingdom main weaknesses. Concern was also expressed at delays in the development and production of modern combat aircraft. A general conclusion was that in any adjustment of over-all U.K. defence programme, the level of defence expenditures should be maintained and the importance of a fully effective contribution to NATO defence should remain a primary contribution.

7. In the absence of detailed information on U.K. views as to how the new strategy should be implemented, and in particular, the extent of U.K. and possibly U.S. force reductions in Germany which they envisage, there is not too much that can usefully be said. However, we were struck by Mr. Dulles' remark (paragraph 5 of telegram No. 1163 of June 19† from Washington) that no country could consider maintaining two kinds of military establishments, nuclear and conventional. We are inclined to think that much of the European discontent with the existing NATO defence plan stems from the fact that they have to furnish conventional forces (which they feel are obsolescent and which require relatively large numbers of men) while the United States and United Kingdom reserve for themselves the task of supplying "nuclear forces". This sense of dissatisfaction and unreality will be exacerbated if the proportion of British and American forces to those from continental Europe is to be reduced substantially. If in practice the only real nuclear deterrent available to NATO is that provided for through the U.S. strategic air force, it would imply complete NATO reliance, for some time at any rate, on U.S. nuclear deterrent, with grave implications for the future of NATO.

8. We understand that U.K. Government considers that they could not wait for the usual leisurely procedures of the various NATO technical committees. The U.K. proposal itself, after referring to the urgency of the matter, states that nothing would be more calculated to evoke popular support for NATO than evidence that it has sufficient imagination to confront the new situation.

9. Against this appeal for dramatic and immediate action must be balanced the following considerations:

(1) Presumably there will be general agreement that nothing should be allowed to rock the boat until the U.S. Foreign Aid Bill is passed.

(2) Although it would appear that German legislative difficulties in getting military service legislation passed and implemented will drag on for too long a time to permit them to defer the reappraisal, there might well be fewer repercussions if the reappraisal were carried out quietly in conjunction with the regular annual review programme.

(3) We have an uneasy feeling that the United Kingdom has prejudged the results of the proposed reappraisal, and that while the results of this might have an immediate attractiveness to a number of countries, the long term effects could be very serious for the very existence of NATO. There would be less likelihood of this occurring if consideration followed the usual NATO process than if the emergency treatment proposed by the United Kingdom were applied. The only practical alternative would appear to be a special review by Ministers as early as possible, but preferably not before September.

10. The foregoing deals primarily with strategic factors and has received general concurrence of Chairman, Chiefs of Staff who may have, however, additional detailed comments to send at a later date. A separate message† will also deal with some political considerations.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DLDL-9 Ottawa, July 4, 1956

SECRET. IMMEDIATE.
Reference: Your Tel 1038 Jul 4.†
Repeat London (for the Minister), Washington (Information).

NATO MILITARY REAPPRAISAL

1. You have of course received the various telegrams which we have sent to the Minister in London and in which we discussed what had appeared to us to be the political and strategic implications of the UK proposal for a military reappraisal. I think that in general our thinking about the UK proposal would apply *mutatis mutandis* to the Norwegian suggestion.

2. In the discussion of NATO military reappraisal a distinction needs to be drawn between the actual need for a military reappraisal, the procedure for carrying it out and the timing of such a reappraisal. There is a fairly wide acceptance already that there is a need for having another good look at NATO's strategy and defence planning.

3. While agreeing that there should be this reappraisal, we share the view expressed in Council by the French representative that the organization should avoid attracting undue publicity to the problem. Unwelcome publicity would likely result if it were to appear that an emergency meeting, particularly of Ministers, were being called mainly to study ways and means for NATO countries to reduce their defence expenditures. It was for this reason that in previous telegrams we suggested associating this reappraisal with the normal processes of Annual Review. At this stage, we also believe that this reappraisal should be associated with the Annual Review process without the calling of a special Ministerial meeting. However as we have made the suggestion in the past of having Ministers consider the reports of the Annual Review Committee before this regular meeting, it might be more difficult to oppose it this year if some member governments feel that such a Ministerial meeting would now be appropriate.

4. If this reappraisal were actually to be absorbed in the Annual Review process, the question of timing would become of lesser importance, since the Annual Review will be carried out on the basis of a timetable which has already been agreed upon and which stretches from August, through the fall, and which culminates in the final report to the regular December Ministerial meeting. A special situation of course arises this year in view of the fact that the Committee of Three will also be meeting in September. The non-military and military reappraisals cannot be entirely separated; however it would seem desirable to try to avoid having the latter overshadow the former at least procedurally.

5. I might add that if the discussion in the Permanent Council of the Norwegian suggestion shows a desire on the part of the majority of the members to have the military reappraisal carried out as soon as possible and through some other than usual procedures, you might bear in mind the suggestion recently made by Mr. Dulles of a special Four-Power Group to which this task could at least initially be assigned. As we have ourselves indi-

cated, we would have no particular objection to this idea which might have the merit of meeting both the present UK difficulties and the desire of other countries such as Norway to have prompt action on this matter.

6. You will appreciate that, as your next meeting is scheduled for tomorrow, the above views are preliminary and represent only the reactions in the Department. We hope to be able to send to you as soon as possible the views of the Chairman, Chiefs of Staff. These views are also, naturally, subject to any comments which the Minister himself may have from London to whom this telegram has been repeated together with your telegram under reference.

546. DEA/50030-E-1-40

Note du président du Comité des chefs d'état-major

Memorandum by Chairman, Chiefs of Staff Committee

TOP SECRET [Ottawa], July 17, 1956

NOTE ON REAPPRAISAL OF THE MILITARY REQUIREMENTS OF NATO

1. There are indications that several of the NATO partners consider that a reappraisal of the military side of NATO leading to a reduction of force goals should be undertaken. It is quite apparent that any reappraisal should be a NATO exercise so as to prevent serious disruption of the alliance. If, on the other hand, there is a series of unilateral reappraisals and arbitrary reductions of forces, it may be very difficult to persuade all the member nations from following the same course, which may inevitably lead to confusion, mistrust and the eventual disintegration of the military alliance. Therefore it appears essential that any reappraisal leading to a reduction of force goals should be initiated by the Council as early as possible before any further unilateral announcements are made and all the other member nations feel it essential to make their cases public. It would therefore appear urgent to request the Council to ask all member nations to refrain from announcing the need for reappraisal and intentions to reduce forces until such time as a NATO study can be undertaken.

2. The basis for any reappraisal should be the lessening of the threat. The NATO alliance was formed to counter the Russian threat to Europe after the fall of Czechoslovakia, and any reappraisal should be made on the grounds that this threat has diminished. Therefore the first step would be to have a thorough examination made of the constituent parts of the threat to reach agreement that the threat has diminished and therefore greater risks could be taken in providing for the security of the whole of the NATO area.

3. This reassessment of the threat should be a joint political and military effort. This may not be too easy to attain as some of the reports emanating from SHAPE indicate that the SHAPE authorities do not agree that the military threat has in any way diminished. On the other hand it would be very serious for NATO if there were a wide divergence of opinion on a matter so important to the Alliance as any such difference of opinion would be bound to find its way into the press and the whole matter of reappraisal may be prejudged. If agreement on re-assessment of the threat can be reached, and it is agreed that there can be a relaxation of effort over a period of up to five years, then ways and means could be discussed by the Council with the military authorities as to how the lessening of the threat could be translated into reduction of military effort and expenditure.

4. It is at this stage that the question of a greater reliance on nuclear weapons could be considered. One course of action would be for the Council to make recommendations to the Supreme Allied Commanders to accept lower standards of readiness for the next four or five years. For example, they could recommend that forces be kept at fifty or sixty per cent strength instead of the eighty-five per cent now required by the Supreme Allied Commanders; and the numbers of aircraft to be maintained at standards of alerts could be reduced by, say, twenty-five per cent. Furthermore reserves of ammunition and stockpiles of stores could be reduced from perhaps ninety days to sixty or forty-five days. All these measures could be initiated without requiring the Supreme Allied Commanders to scrap their present plans. These measures could be accomplished as part of the Annual Review proceedings and put into effect in December. This kind of a device would allow considerable flexibility and if the strategical situation should deteriorate the forces could be quickly built up again provided the equipment was stored and reserves of manpower were available for immediate call-up.

5. This appears to be the only course which could be undertaken immediately, in which the initiative and responsibility could be taken by the political authorities, and which might have some hope of being accepted by the Supreme Allied Commanders. Any suggestion that the number of formations allotted to the Supreme Allied Commanders could in any way be reduced will be met by considerable opposition from the Supreme Allied Commanders themselves. You will note that both General Norstad (copy of General Norstad's recent speech is attached) and General Gruenther have already stated publicly that the forces they have available now are insufficient to carry out the tasks of defending the NATO area, even taking into account the greatest possible use of both tactical and strategical mass destruction weapons. It is on this particular aspect of the problem that serious difficulties can be expected. Any reduction in effort must carry the military judgment of the Supreme Allied Commanders; whereas the political authorities are justified in recommending the risks they are prepared to take in implementing the plans of the military authorities; i.e., keeping forces at fifty per cent strength. However it will be extremely difficult to persuade the Supreme Allied Commanders to draw up plans based on a smaller number of formations and be responsible for implementing those plans on short notice if the strategical situation changes. It is one thing to draw up a sound plan and have the political masters decide how far they will implement it; it is quite another to ask the military to draw up unsound plans to meet the political or economic requirements.

6. This plan could be brought into effect immediately and would avoid the serious embarrassment of requesting the Germans to reduce the number of formations to be provided before a start has been made on the implementation of the German plan. The second stage of the re-organization could take place progressively as the German forces are formed, with the ultimate aim of the European forces taking over increased responsibility for maintaining the "safety glass window" in Europe. In this way an effort should be made to have the forces stationed in or as near as possible to their own country. This may reduce the costs of maintenance of these forces. Such arrangements would allow the United States, Canada and Great Britain to withdraw considerable forces from Europe and these countries should give consideration to making proportionate contributions to the European countries for the maintenance of the forces in Europe either by mutual aid or other economic measures. It might even prove prudent for the United States and Canada to offer some assistance in maintenance costs to the United Kingdom in order to avert unilateral action which may start a series of public announcements which could spell the end of collective defence in Europe. At the same time the European countries should be given a greater share in the command, control and responsibility of the forces in Europe. This

would mean that they should be represented on the Standing Group, and have a larger proportion of the command in both SHAPE and subordinate commands, with a considerable reduction of similar positions by the United States and the United Kingdom.

7. The limited reduction of conventional forces must also be accompanied by an increase in the number of tactical atomic weapons made available to the European partners. At present, under the existing United States law, the support of the forces in Europe by atomic tactical weapons, both missiles and bombs, must be handled by the U.S. detachments attached to European formations. This oblique support is not convincing enough to persuade the Europeans that they can count on this kind of support to replace the conventional weapons which now exist. This manner of providing atomic support creates some uneasiness as there is no assurance that it will be a continuing support if the United States decides to reduce its effort in Europe. Therefore it will be necessary for the United States to amend its laws and give a much wider interpretation of its security regulations so that the European partners can be assured of continuous tactical atomic support and eventually have this support in their own hands. Considerable feeling still exists in Europe that the United States treats the European forces as second-rate forces and complete confidence must be established that the Europeans can adequately defend their own frontiers without considerable external help.

Conclusions

1. Unless immediate action is taken to initiate a NATO reappraisal, most of the European partners will be forced into taking unilateral action and making such action public.

2. Any reappraisal must be based on the lessening of the threat and an agreement reached on the risks which can be taken.

3. Joint political and military authorities must decide the most appropriate and expeditious manner of translating political agreement on risks to be taken into economies to be obtained in the military field.

4. A searching enquiry should be undertaken into the best methods by which Canada, the United States and the United Kingdom can economically support the European nations; i.e., it is apparent that the funds the Canadian Government spends on maintaining a brigade in Europe could quite likely maintain a couple of European divisions. Therefore from an economical standpoint it would be of much greater help to the economy of the Alliance if Canada were to support the efforts of some other partner instead of maintaining forces in Europe at such extraordinary high costs.

5. A re-organization of the military structure should be undertaken immediately so as to give the European partners greater responsibility and a more adequate share of command and control of the forces in Europe.

6. Efforts should be made for the release of information, techniques and eventually the actual possession of tactical atomic weapons to the NATO partners.

[CHARLES FOULKES]

547. DEA/50030-AG-1-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

TOP SECRET Ottawa, July 20, 1956

COMMENT ON GENERAL FOULKES' NOTE ON REAPPRAISAL OF THE MILITARY REQUIREMENTS OF NATO

I assume that in your talk with Mr. Campney on Monday evening you will wish to take as the basis of discussion the note on the reappraisal of the military requirements of NATO prepared by General Foulkes for Mr. Campney, a copy of which he has sent to you as well as to Mr. Bryce, Mr. Miller and myself. (An extra copy is attached for ease of reference.) I have therefore thought it might be useful to prepare comment on each paragraph of General Foulkes' memorandum. In addition, you will find at the end of this paper some recommendations for decisions which you might wish to put to Mr. Campney in the course of the discussion.

2. As regards paragraph 1, we appear to be in agreement with National Defence that there should be a reappraisal of the military requirements of NATO and that member governments should authorize this reappraisal through the NATO Council, asking at the same time that member nations refrain from making unilateral statements on the reappraisal and of intentions to reduce their forces.

3. As regards paragraphs 2 and 3, where General Foulkes talks about the threat, we would agree that the starting point for such a reappraisal should be a re-examination of the nature of the threat. Likewise, we agree that the re-assessment should be a joint political-military effort. In making this re-examination it would be necessary to look, as General Foulkes suggests, at the constituent parts of the threat. But here it seems to us that General Foulkes does not refer to what would seem to be an essential part of such a re-assessment, namely the comparative increase in the relative threat against North America arising from the increased Soviet capability in atomic and thermo-nuclear weapons and the means of delivering them. Thus, the announced withdrawal of Soviet forces from Central Europe and of their intention to reduce their forces by 1,200,000 men while possibly further reducing the threat against Western Europe would not necessarily have an appreciable effect on the threat against North America and the possibility of air attack.

4. Any re-assessment should also bring out the point that a possible reason for arguing that the threat may have been reduced in Europe relatively to North America is the growth of air nuclear retaliatory power on both sides which has produced what Sir Winston Churchill has called "the balance of terror". An examination of the implications of this development may well lead to the conclusion that the shift in the centre of gravity of the NATO defence effort may be increasingly towards North America where the heart of the nuclear retaliatory power of the Alliance is located.

5. In paragraph 4 General Foulkes turns to a discussion of a re-assessment of the forces necessary to meet the changing threat. While this is a matter in which military opinion would necessarily have to be given greater weight, there seem to be two points which particularly require clarification by the military experts. First, assuming that it is correct that the Soviet nuclear capability continues to grow, what should the NATO powers do to match this capability which they are not doing in order to ensure that the nuclear deterrent

capability of the allies is not weakened. General Norstad in the paper which General Foulkes attaches to his memorandum, admits that the military programmes based on a reduction in numbers but using reduced manpower with new weapons have not yet been achieved. One field in which some progress may well be necessary is referred to by General Foulkes in his paragraph 7, namely making tactical atomic weapons available to the European partners. Secondly, the military should clarify the relationship between the allied nuclear capability (i.e. SAC and the growing British air-nuclear power) and the "shield" or "trip-wire" defence concept for Western Europe.

6. In paragraph 5 General Foulkes discusses the adequacy of present force goals to implement existing NATO strategy under M.C.48. The important consideration here seems to us to be that, as long as the West maintains a capability of deterrence, a re-examination of the threat might lead to the conclusion that the possibility of attack is now considered less immediate than hitherto and that in some respects certain of NATO's military preparations might be deemed either unnecessary or allowed to run down. This particularly might apply to stockpiles if a 30-day nuclear war is what the military advisers reckon is the probable shape of the war to be planned against as a contingency for the NATO area. But this kind of alteration in NATO plans would hardly justify a substantial reduction in ground forces in Europe, at least the contribution to be expected from NATO's European members.

7. General Foulkes will have with him the details of present NATO force goals and the actual forces in being and committed to NATO. While General Gruenther has indicated that 30 divisions must be regarded as a minimum under revised plans (i.e. taking into account the use of nuclear weapons), the actual number of divisions on the central front is more like 15. Taking into account the absence of 12 German divisions and 3 French divisions moved from North Africa, the necessary forces could be provided for if present NATO programmes are implemented.

8. This leads to the question of whether NATO should try to implement the existing force goals including the German contribution or lower the force goals allocating the whole or part of the reduction of such goals to the German contribution (dealt with in paragraph 6). Here military and political considerations have to be considered in close relation to one another. Reduction of force goals before the German plan is implemented might indeed, as General Foulkes suggests, be an embarrassment to the Adenauer Government. On the other hand, it might be considered as an element for possible negotiations with the Russians over the question of German reunification and European security. On the other hand, a reduction of the German contribution has to be considered in relation to the pressures on the U.K., the U.S. and ourselves to reduce our forces on the continent of Europe, particularly as a result of the pressures on our respective governments to meet the increasing costs of air defence. In the case of the U.K., there is the question of the build-up of its retaliatory nuclear air power. In the case of the U.S. and ourselves, there are the growing demands for continental air defence. In this connection, General Foulkes has told us that he has received an explanation of Admiral Radford's reference to the possibility of reducing U.S. forces in Europe through General Sparling. It appears that the U.S. Chiefs have been examining this problem of the growing costs of continental air defence and have come up with several alternative ways of meeting it, including the possibility of reducing their forces in Europe. But we are assured that no official decisions have been taken which would contemplate such a reduction. The matter is only under consideration in Washington. This leads to the last point and that is that surely the Canadian Chiefs of Staff should likewise be examining various alternative ways of meeting the pyramiding costs of continental air defence and that the reappraisal of Canadian defence policy and forces can no longer be divorced from

the reappraisal of NATO strategy and forces. (A copy of our memorandum of December 21, 1955,[48] in which this aspect of the problem is discussed, is attached.)

9. To sum up, I suggest that agreement should be reached with Mr. Campney on the following points:

(1) As regards the NATO military reappraisal:

(a) that member governments agree that there should be a reappraisal of NATO's strategy and defence planning and should authorize that this reappraisal proceed forthwith;

(b) that it should be carried out through the Permanent Representatives on the NATO Council in cooperation with SHAPE and the Standing Group;

(c) that it should be based on a joint political-military re-assessment of the changing Soviet threat, including a consideration of its economic aspects and of the force goals necessary to meet it;

(d) that recommendations on the re-assessed threat and force goals should be available to the regular annual meeting of Ministers to be held in December and to be considered by them together with the report of the Committee of Three on the re-assessment of the non-military activities of NATO and in relation to one another.

(A telegram tc Mr. Wilgress incorporating these points is being drafted to be shown to the Department of National Defence in advance, in the hope that it could be agreed upon for immediate despatch to Paris in time to reach Mr. Wilgress for a discussion which is to take place in the Council on Tuesday, July 24 or Wednesday, July 25.)

(2) As regards the reappraisal of the future pattern of Canadian defence policy and of its forces:

(a) that a concurrent reappraisal be conducted by the Chiefs of Staff and whatever working group is necessary be set up to which officials of this and other departments concerned might be added as required;

(b) that this reappraisal should include consideration of the following questions of most direct concern to this Department:

(i) what priorities are to be assigned to air defence as against other Canadian defence commitments?

(ii) should Canada take the initiative in seeking to have the U.S. share the cost of air defence installations in Canada and if so on what basis?

(iii) are planning and command arrangements for the North American air defence adequate to protect Canadian interests and, if not, should Canada take the initiative to have these considered jointly with the U.S. authorities?

(iv) what provision should be made in the pattern of Canadian forces for the contingency of having to take part in a collective action to deal with a peripheral war initiated either by the U.S.S.R. or Communist China using conventional forces?[49]

J. L[ÉGER]

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[48] Voir/See Volume 21, Document 323.

[49] Note marginale :/Marginal note:

Mr. M. Wershof, Watkins & Ignatieff will attend this meeting. I am sorry that I will have to miss it. [J. Léger]

548. DEA/50030-AG-1-40

Note du chef de la 1ère Direction de liaison avec la Défense

Memorandum by Head, Defence Liaison (1) Division

TOP SECRET [Ottawa], July 25, 1956

MINISTERS' DISCUSSION ON REAPPRAISAL OF NATO STRATEGY

Mr. Pearson and Mr. Campney met on the evening of Monday, July 23 in Mr. Campney's office in the House of Commons for discussion on:

(a) the procedure to be followed in the reappraisal of NATO strategy; and

(b) the substance of what might be the Canadian attitude to this reappraisal.

2. General Foulkes, Mr. Bryce, Mr. Miller, Mr. Wershof, Mr. Watkins and Mr. Ignatieff were also present.

3. As regards procedure, agreement was reached on the text of instructions to Mr. Wilgress for the discussion in the North Atlantic Council on Wednesday, July 25, as contained in telegram DLDL-56 of July 24, attached.

4. As regards the substance, Mr. Campney expressed some doubt as to how one could go about re-assessing the threat of attack with any certainty. The net military capability of the Soviet Union had not been reduced and he doubted that there had been any real change in Soviet intentions. Mr. Pearson pointed out that there had been some changes in the Soviet military capabilities even though their net military strength may not have been reduced; but these changes, such as the announced reduction of ground forces and the continuing growth of Soviet nuclear air power, justified a re-assessment. The latter surely had important implications for Canada. As regards Soviet intentions, there surely had been significant changes in Soviet policies and attitude, such as the withdrawal from Austria, changes in attitude to Yugoslavia and their bid for support for the uncommitted countries, to name just a few. A re-assessment therefore of the threat was obviously important. Some of the questions that should be looked into were set out in paragraph 4 of the message to Mr. Wilgress.

5. Most of the rest of the discussion was concerned with NATO's strategic concept of the deterrent and the role in this strategy of the nuclear air power of the United States and of the ground force "shield" in Europe. Mr. Pearson said that the real deterrent was the commitment that, if any one member of NATO were attacked, all the allies would retaliate including the United States. In other words, the deterrent really was the acceptance of a determined commitment on the part of the allies to act together. So long as any opponent realized that there was this determination, he would be deterred from aggression. In applying this principle, however, it was not clear to what extent the commitment to supply ground forces in Europe for the "shield" was a necessary element. He thought this problem should be further explored.

6. In reply, General Foulkes said that the purposes of the "shield" were several, including the following:

(a) to cause the Russians in the event of attack to mass so that tactical atomic weapons could be used against them;

(b) to give assurance to the Europeans that, if they were attacked, retaliatory power centred in North America would be used against the USSR.

The latter consideration was of the utmost importance for the Europeans needed the assurance of U.S. support to give them a feeling of security. On the other hand, it was important that they should also have a feeling of participation with the U.S. in common defence and this might be strengthened if some arrangements were made by the U.S. to share tactical atomic weapons with their European partners.

7. In the discussion, however, it was pointed out that an essential part of the deterrent was that the United States would be prepared to fulfil its guarantee of its European partners under Article 5 of the North Atlantic Treaty if they were attacked. With the growing Soviet nuclear air power, the question needed to be considered as to whether the U.S. would in fact be prepared to take action if faced with the choice of suffering a nuclear holocaust or allowing one of the Western European countries to succumb to Soviet attack. Such an attack might for instance be in a form calculated to avoid nuclear retaliation such as the use of East German forces against West German to seize Berlin. From this point of view it was important that the allies should retain strong enough conventional forces in Europe so that the "shield" might be adequate to deter Soviet military moves using conventional forces. The allies should avoid being placed in the position of having to make a choice between risking a nuclear holocaust or taking no action at all. It was also essential to aim at the preservation of united action, politically and militarily by NATO.

8. There was also some discussion on the ways and means of effecting economies in NATO and in this connection General Foulkes distributed a paper,† copy of which is attached.

9. It was agreed after the meeting that as a next step comment should be prepared for the guidance of Mr. Wilgress in Paris on the basis of General Foulkes' memorandum of July 17 entitled "Note on the Reappraisal of the Military Requirements of NATO". Mr. Bryce would prepare notes[50] on the comment prepared in the Department for Mr. Pearson in a memorandum dated July 20. When this comment is available, a revised paper on the reappraisal of military requirements of NATO should be prepared and circulated to General Foulkes and Mr. Bryce for clearance before despatch to Paris.

10. There was also some discussion on Lord Ismay's proposed statement on unilateral reduction of NATO forces. The Ministers agreed that it was undesirable for a statement to be issued which might draw attention to the controversy which has developed on this issue in the press. It would be preferable for the Council to avoid making any statement and to deal with the matter by coming to grips with the reappraisal without further delay, which should have the effect of restraining further unilateral statements on this matter until the reappraisal had been completed. A message† in this sense was drafted and despatched to Mr. Wilgress.

11. There was also some discussion about the U.K. Government's approach asking the Canadian Government to accept certain naval responsibilities in the Atlantic and Pacific and to continue manning two aircraft carriers.[51] Mr. Campney, General Foulkes and Mr. Miller all indicated that the response would probably be in the negative, and that Lord Mountbatten had been so informed when he had discussed these matters with the Canadian Chiefs of Staff during his visit to Ottawa. Mr. Pearson recalled that the matter had been raised by Sir Anthony Eden with the Prime Minister and that, particularly in view of the past services rendered by the Royal Navy in the protection of Canadian interests at sea, the question should be given proper consideration. It was agreed that an interim reply should

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[50] Non retrouvées./Not located.

[51] Voir Chapitre 4, 3^e partie, section c, subdivision iii./See Chapter 4, Part 3, Section C, Sub-section iii.

be drafted by Bryce for the Prime Minister, indicating that more information was required about the U.K. proposal and that the follow-up on this should be through the Chiefs of Staff level.

G. IGNATIEFF

[PIÈCE JOINTE/ENCLOSURE]

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DLDL-56 Ottawa, July 24, 1956

SECRET. IMMEDIATE.
Reference: My telegram No. M-681 of July 17.†
Repeat London, Washington, Bonn (Immediate)(Information).

REAPPRAISAL OF NATO STRATEGY

1. The reappraisal of NATO military strategy and defence effort should be considered in relation to the "great debate" which has already started about the future of NATO and Ministers will wish to consider recommendation arising out of the military reappraisal together with the report of the Committee of Three when they meet in December and in relation to it. At this stage it is important to consider how to make this reappraisal an effective and productive exercise. Our thinking on some of the procedural aspects of the question has already been communicated to you to some extent in telegram DLDL-9 of July 4 and in a departmental memorandum dated July 10, copy of which was referred to you. These and further suggestions which have been discussed with National Defence are summarized below.

2. We believe that the Council should seek agreement on the following:

(a) That a reappraisal of NATO strategy and defence effort should be authorized as a matter of urgency;

(b) That it would be undesirable to have this reappraisal conducted in a manner which would give it unwelcome publicity and particularly which would be interpreted as proceeding from an intent to reduce NATO's military strength;

(c) That it should be carried out through the Permanent Representatives on the NATO Council in cooperation with SHAPE, the Standing Group, and the other military representatives rather than being initiated by a special Ministerial meeting;

(d) That it should be based on a joint political-military reassessment of the changing Soviet threat, including a consideration of its economic aspects and by the greatest possible utilization of tactical and strategic nuclear weapons work out the minimum forces to meet the reassessed threat;

(e) That a report (including the evaluations which will have been prepared by the NATO military authorities, as reported in your telegram 1120 of July 16†), on the reassessed threat and force goals together with appropriate recommendations should be available to the Ministers when they consider the Annual Review and the report of the Committee of Three at the December Ministerial meeting;

(f) That in the meantime, it would facilitate the reappraisal if all member governments were asked to refrain from making public unilateral statements about it.

3. The Council should also offer necessary guidance to ensure that this year's Annual Review process is geared to the current reappraisal. It will be important to have an opinion from the military as to the time at which the earliest impact of the reappraisal on the Annual Review goals is likely to be effective. Presumably we should not expect the reappraisal to have been fully completed? And its results approved in time to affect the plans for 1957. This would mean presumably that for the rest of 1956 and for 1957, the assumptions and goals of MC.48 would remain operative, for the purpose of the current Annual Review.

4. The Council in agreeing on procedures for the military reappraisal should ensure that its reassessment of the threat is properly coordinated with the military. This reassessment should take into account the following questions:

(a) Has the recently announced decision of Soviet Russia to reduce its forces in Europe by 1,200,000 men amounted to any decrease of its military capabilities?

(b) What changes have there been in Soviet nuclear and air striking capabilities?

(c) What effect would such changes have on the likelihood of an attack in (a) Europe (b) North America?

(d) What implications may be drawn from Soviet capabilities on the likelihood of "limited wars" affecting the NATO area?

(e) Are we likely to get reliable enough estimates of the period of warning of attack to permit the running down of the NATO state of readiness?

5. I have no doubt that the military will think of other points which will need to be looked into before we can say that the threat has been fully reassessed. Further, I am inclined at present to think that it will be only on the basis of military answers to questions (a) and (b) above that the Permanent Council with its military advisers will be able to tackle the remaining questions, and in the light of these, report to the Ministerial Council in December whether the organization can afford to take a greater calculated risk in stating its continuing military requirements.

6. I would envisage the Ministers deciding whether the results of the reassessment would justify (a) a reduction or (b) a reorganization of the present military activities of the alliance or both.

7. Although we are open to suggestions as to how the reappraisal should best be handled by the Council, you may feel free to use the above suggestions in the Council discussions.

8. This telegram has been discussed today with Mr. Campney and the Chairman of the Chiefs of Staff.

549. DEA/50030-AG-1-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1191 Paris, July 26, 1956

SECRET. IMMEDIATE.
Reference: Your Tel DLDL-56 July 24.
Repeat London, Washington, Bonn (Information).

REAPPRAISAL OF NATO STRATEGY

Yesterday was the last regular meeting of the Council before the summer break, although we are having a meeting on July 31 to consider future infrastructure. Accordingly, I considered it desirable to take advantage of the private meeting following the regular meeting to raise the question of the reappraisal of NATO strategy on the basis of your telegram under reference.

2. I began by referring to the Norwegian proposal to hold a Ministerial meeting in September for this purpose. I said we still felt that this would give rise to undue publicity and that it was necessary that the ground should be thoroughly prepared beforehand by the Permanent Council. Moreover, it would be useful if the final report on this subject could be considered by the Ministers at the same time as they were dealing with the report of the Committee of Three. I then outlined the points upon which we felt agreement should be reached in Council, mentioning those given in paragraph 2 of your telegram under reference.

3. I then went on to say that we were not quite clear as to what instructions had actually been issued by the Standing Group to SACEUR, SACLANT and CHANCOM. We felt it was important that the NATO military authorities should undertake a through reappraisal along the lines I had indicated. I referred to the statement of the Standing Group Liaison Officer that a report was being prepared for a meeting of the Military Committee to be held in Washington in the middle of October and that I felt the Council should instruct the Standing Group to proceed with as much despatch as was consistent with their taking into account the points I had made. At the same time, the Council itself should give attention to the political and economic aspects with a view to coordinating what was being done by the military. I then referred to the relationship of this reappraisal to the Annual Review process and said I understood from previous statements by the Chairman of the Annual Review Committee and by SGLO that it might not be possible to incorporate any of the results in this year's Annual Review. I felt that this was another matter which required clarification.

4. At a later stage of the discussion I was able to bring out the points mentioned in paragraph 4 of your telegram under reference as illustrative of some of the questions we felt the reassessment should cover.

5. The Italian Representative intervened immediately following my remarks and said the approach of his government was different. They favoured the original proposal by Norway that a special Ministerial meeting be held in September when the Foreign Ministers come to Paris to meet with the Committee of Three. Public concern with this matter had now assumed such proportions that it would be inadvisable to postpone its consideration until

December. This, of course, did not preclude examination of the problem by the Permanent Council in the meanwhile.

6. I may add, however, that the Italian and Norwegian positions seem now to be out of step with the attitude of the majority of governments. The Netherlands and UK Representatives said it was quite unrealistic to envisage that work entailed in a thorough political, economic and military reappraisal, as suggested by Canada and which they generally supported, could be completed in time for a Ministerial meeting in September. Moreover, the Norwegian Representative in a later intervention said that, while they still maintained their proposal, they realized that the majority of countries were not in favour of a September meeting and they would be prepared to go along with this majority view.

7. The UK Representative stressed the need for time to enable governments to clarify their own positions. He felt that the subject should be kept before the Council in order that governments may be able to put forward their views as they mature. The USA Representative took no part at any stage in the discussion.

8. The Standing Group Liaison Officer said that he understood that the evaluation being carried on at the instance of the Standing Group, while part of the normal military procedure of keeping strategy under constant review, was along the lines we had indicated. He was leaving for Washington at the end of this week when he would be able to go into this whole matter. He would be able to report to the Council when he returned around August 10. He would impress upon the Standing Group the urgency felt in the Council; the SGLO stated that he cannot be categorical now as to whether or not some of the military recommendations resulting from the reappraisal might be introduced into this year's Annual Review.

9. The Acting Chairman of the Annual Review Committee intervened to state that the Annual Review Committee would be meeting at the beginning of September and they could consider in what way the Annual Review process could be modified to take into account any current reassessment of the defence effort. Their general feelings was that it will not be possible to proceed on any other basis than that of present assumptions. At this stage, the UK Representative intervened to suggest that this year's Annual Review might be more in the nature of a stocktaking exercise.

10. It was finally agreed that the Council would keep this subject before it and a meeting would be arranged on August 14 or at an earlier date if Council found it necessary to meet to consider the reply expected from the Icelandic Government to Lord Ismay's letter. At that time, the SGLO will be able to make a full report on what he had learned in Washington. It was also agreed that when the Council resumes its normal routine at the beginning of September, it would discuss what should be done regarding the political and economic factors. It was thought that the working group on trends of Soviet policy might be called together with experts from the principal powers at an earlier date than envisaged to deal with the political aspects of the reassessed threat. Ordinarily they would be meeting just a few weeks prior to the December meeting. The Annual Review Committee will also be meeting early in September and the Council could direct them as to the character of an urgent report they should give regarding the effect of recent developments on this year's Annual Review. In the meantime, Permanent Representatives would seek the views of their governments on the various suggestions so far made in Council in order that further progress may be made at the Council meeting on August 14 and at subsequent meetings. An opportunity will be afforded for any statements any government would like to make at the meeting on July 31, which has been called to deal with future infrastructure.

11. Since the meeting was private and no records were kept, we have considered it desirable to circulate to all delegations except Iceland a mimeographed summary† of the various points I made during my interventions. SGLO in particular requested such a statement in order that he may be fully briefed for his conversations in Washington.

[L.D.] WILGRESS

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550. DEA/50030-AG-1-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DLDL-192 Ottawa, September 4, 1956

TOP SECRET. IMPORTANT.
Repeat Washington.

REAPPRAISAL OF NATO STRATEGY

The following for your information is repetition of first paragraph of Canada House message 1203 of September 3†:

"The Minister saw Mr. Lloyd yesterday morning. The conversation covered several subjects and Mr. Lloyd was accompanied by Mr. Nutting, Sir Ivone Kirkpatrick, Sir Christopher Steel and various foreign office experts. Mr. Pearson was accompanied by Mr. Pierce. The Minister led off with a brief account of the present status of the work of the Committee of Three and outlined the timetable for the Committee's work in Paris over the next fortnight. Mr. Lloyd then turned to the question of the reassessment of NATO military requirements in Europe and read a memorandum which is at present in draft form, but which, when finalized, the UK would hope the North Atlantic Council would accept as a directive to the NATO military authorities. This memorandum begins with a political appraisal which (a) rules out the likelihood of global war; (b) reiterates the West's intention, if the Soviet Government does commit an identified act of aggression against NATO territory, to launch a full scale attack on Russia with thermo-nuclear weapons; (c) accepts the fact that Soviet long term aims remain unchanged and that Soviet attempts, by economic and political means, to undermine the position of the West outside the NATO area will be strongly increased; (d) assumes that Soviet political and economic efforts will be supplemented by indirect military action where this seems to be to their advantage; and concludes that the more subtle and insidious Soviet threat makes it all the more necessary for NATO to maintain its alertness and solidarity. On the basis of this political assessment, the UK draft directive recommends that the military forces maintained by NATO (which must be within the economic capacity of the Alliance) should be the minimum needed to meet the following requirements (i) to keep confidence in the military effectiveness of the NATO defence organization; and to prevent external intimidation, (ii) to deal with local infiltrations and incursions, (iii) to enable Soviet or satellite aggression to be identified as such; and to deal with a satellite attack, (iv) to secure the radar facilities required for the full use of the strategic bomber force. The paper concludes "The NATO military authorities should reassess the size, composition and disposition of NATO forces in accordance with the above political directive"."

551. DEA/50030-AG-1-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DLDL-213 Ottawa, September 11, 1956

TOP SECURITY. IMMEDIATE.
Reference: Your Tel 1446 Sept 7.†

REAPPRAISAL OF NATO STRATEGY

When the Council meets on September 12 to discuss NATO military planning, we think it important that such momentum as the reappraisal exercise has acquired should be maintained. For this reason, and having in mind German apprehensions lying behind their decision to call the forthcoming WEU Ministerial meeting, we believe that the Council should continue to show an active interest in the reappraisal of NATO strategy.

2. You have suggested two possible courses of action which might form the basis of the Canadian position at tomorrow's meeting and we assume that you will have discussed these with Mr. Pearson. For our part we do not think that we should again take the initiative at this time unless it should appear to you that, without an intervention on your part, unsatisfactory progress would be made in the matter.

3. We think the best solution would be to have the United Kingdom draft memorandum referred to in our telegram DLDL-192 of September 4 serve as the basis on which the Council could formulate a political directive for the military authorities. We realize that this draft, from Mr. Lloyd's statement, will require a revision of the defensive aims of NATO as stated in MC48. We consider that any such revision should be in accordance with our thinking as given in DLDL-180 of August 30.† The difficulty in connection with the UK paper is of course that we cannot initiate discussion on it nor do we know whether other NATO members are even aware of its existence. Perhaps you can find out what UK intentions are with respect to the use of their draft. We feel that, if the United Kingdom is prepared to table the document in the Council within, say, about two weeks, this should be sufficient to maintain the momentum of reappraisal. We would like you to discuss with the Minister the possibility of using the paper as the point of departure in the Council for preparing fresh political and economic guidance for the military authorities based on a reassessment of the Soviet threat.

4. If it proves impossible to have mentioned in the Council that a UK paper is due in about two weeks which should form a most useful basis for a political directive, and if no other delegation makes a move to take the initiative with regard to reappraisal, then we think it would be desirable for you to intervene again and propose that the Council undertake a reassessment of the political and economic guidance now being used by the Standing Group and the military authorities and you might suggest that this task be entrusted to the Working Group on Trends in Soviet Policy or some other working group organized for this purpose. On the whole we would prefer that a move of this kind be proposed by another delegation since it was Canada which pioneered in this matter and we do not feel we should persistently lead the pack.

5. We would like to know if you will require further views from us in advance of the WEU meeting Friday. You might indicate your wishes in this respect when you inform us who the Canadian observer will be.

6. This telegram has been approved by the CCOS.[52]

J.A. MCCORDICK

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552. DEA/50030-AG-1-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1548 Paris, September 19, 1956

SECRET

Repeat Minister (Paris) (Information).

NATO MILITARY REAPPRAISAL

At this morning's private session of the Council, the question was raised by the Italian Representative as to the advisability of informing NATO members of the discussion that took place last Saturday in WEU. Alessandrini realized that the discussion was of importance to NATO but was not clear as to the procedure that should be followed. The Norwegian Representative said that the communiqué issued after the WEU meeting mentioned the fact that the Secretariat had been asked to prepare a paper on the problems discussed and that he thought that this document should be made available to NATO. The UK and other representatives agreed that the transmission of this document to NATO would be desirable. It was finally decided that Alessandrini would inform the Chairman of WEU, Mr. Martino, of the general desire on the part of members of Council to be fully informed regarding the WEU discussion. As Chairman of the WEU, Martino would probably issue instructions to the Secretariat to make this info available through Lord Ismay to the members of the Council.

2. The Belgian Representative took this opportunity to say that there was perhaps a lesson to be drawn from the WEU discussion. While the NATO Council had been seized with this problem for some time, it had not yet been able to discuss seriously the political aspects of the NATO military reappraisal. The WEU Council, he felt, had gone further in discussing these problems than the NATO Council. Following Mr. De Staercke's remarks, I said that we, too, in attending the WEU meeting had been conscious of the fact that NATO was lagging behind in considering the wider implications of the NATO military reappraisal. We feared that time is running short if we wish to conduct the necessary political preparations prior to the December Ministerial meeting. For our part, we are not desirous of submitting further proposals for political guidance as our understanding has been that other governments intended to submit proposal. While waiting for other delegations to receive instructions, we felt that one aspect could be taken in hand without delay. We therefore suggested that Council should instruct the Working Group on Trends of Soviet

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[52] Note marginale :/Marginal note:
This telegram was also seen & approved before despatch by Messrs. Macdonnell, Ford and Crean.
J.A. McCordick

Policy to prepare for Council consideration a paper on the changes in the form and implications of Soviet intentions which would constitute an up-to-date appreciation of the Soviet threat looked at from a political standpoint. My Belgian colleague fully concurred.

3. While agreeing with our suggestion, the Dutch Representative said that the study of the Working Group might be facilitated if we had a firm starting point. He was wondering, therefore, whether some authoritative statement could be obtained that a "shield" force is an essential requirement to NATO defence policy. Mr. Perkins said that he did not see how one particular aspect of the reappraisal could be isolated in this manner. He further elaborated on his thought by saying that the necessity of retaining conventional forces was not under dispute. The real problem was to determine at what level conventional forces should be maintained.

4. The French Representative on the whole favoured the Dutch approach as the problem was so complex that we should at least have some firm principles to guide our study.

5. De Staercke said that the core of the problem was, how to utilize most advisedly, in the light of our present assessment of the Soviet threat, the limited military resources available to governments. As he understood it, this had been the approach in the WEU meeting. Quite rightly Von Brentano had recalled that the Paris Treaty determines the level of forces that the UK, for example, are prepared to maintain on the continent. Brentano's line of reasoning was that there are now rumours that the UK government intends to withdraw or reduce these forces. If such an eventuality is to materialize the WEU and NATO partners are entitled to know how this weakening of the NATO defence is to be compensated. If it is to be compensated by the use of atomic weapons, then the implication should be that the control of these weapons should not be the exclusive responsibility of two NATO powers, namely, the UK and the USA, but should come under the authority of the Supreme Commander.

6. When asked by De Staercke whether the UK government intended to produce its promised paper on the various implications of the NATO military reappraisal, the UK Representative said that he was not yet in a position to say when his government would make its views known.

7. Finally, our suggestion that the Working Group on Trends of Soviet Policy be asked to prepare a paper on the basis of the proposal we made in Council on July 25, was approved. Mr. Parodi suggested a private meeting of the Council within the next few days which will discuss the broad outline that such a paper might follow. He said, for instance, that one of the questions that should retain our attention is whether atomic warfare is the only kind of war we should prepare for. There is no doubt in his mind that this concept is now outdated.

8. The Working Group on Trends of Soviet Policy will have a preliminary meeting next Friday and we shall, of course, keep you informed of its work.

[L.D.] WILGRESS

553. DEA/50030-AG-1-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1574 Paris, September 24, 1956

SECRET. IMMEDIATE.
Reference: Our Tel 1548 Sep 19.

NATO MILITARY REAPPRAISAL

The Working Group met on Friday as scheduled to have a preliminary discussion on the preparation of a paper on "Changes in the Forms and Implications of Soviet Intentions". As we had made this proposal in the Council we were asked to amplify what we had in mind. We therefore put some views forward in a tentative way based on your general instructions, pointing out that the actual form of the proposed paper had not yet been studied in detail in Ottawa. As we conceived it at this stage, however, the objective of the proposed paper was not to dwell on Soviet intentions in the sense of offering speculative ideas as to what the leaders of the Soviet Bloc might do. We rather saw this paper as offering an opinion as to what the Soviet might logically be expected to do on the basis of a political assessment of Soviet policy and guided by their own interests. The purpose of the paper was to estimate, as far as possible, the real nature of the Soviet threat. We were not using the word "threat" in its military connotation but rather in its political sense. This paper, in our opinion, should provide, if possible concise political guidance to the NATO military authorities by analysing the nature of the threat facing the members of the Alliance. We realized that the analysis of the Soviet threat from a political point of view was being done to a certain extent in the annual paper produced by the Working Group on Trends and Implications of Soviet Policy but this year, the paper should concentrate on changes that have occurred in the nature of this threat which would seem to have a bearing on the current reappraisal of our military planning.

2. Starting from these premises we said, very tentatively at this stage and just for the purpose of initiating the discussion, that the proposed paper might take the following form. A first section would dwell on the unchanged element of Soviet policy. It could consist of an analysis of the most recent authoritative statement made by Soviet leaders, showing that the ultimate aims of the Soviets remain unchanged. The second section of the paper might review the important changes that have taken place in the Soviet Bloc since the death of Stalin. This section might analyse in practical terms the doctrine of coexistence as propounded by the Soviets and the manner in which it has been implemented in various fields. It might also try to draw some conclusions from the important internal developments in the USSR as reflected in the Khrushchev speech.[53] The third section of the paper and the most difficult one, would try to define as precisely as possible the present nature of the Soviet

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[53] Pour le texte intégral du discours de Khrouchtchev, voir Leo Gruliow, ed. *Current Soviet Policies II: The Documentary Record of the 20th Communist Party Congress and Its Aftermath*, New York: Frederick A. Praeger, Inc., 1957, pp. 172-188.
For the full text of Khrushchev's speech, see Leo Gruliow, ed. *Current Soviet Policies II: The Documentary Record of the 20th Communist Party Congress and Its Aftermath*, New York: Frederick A. Praeger, Inc., 1957, pp. 172-188.

threat and the form that this threat may assume on the basis of the new situation that has arisen. This third section might review the three main forms that the Soviet threat could assume. One would be the possibility that the Soviets might launch a global war. The paper should try to identify the advantages and the disadvantages, from a political point of view, for the Soviets to start a general conflict. The second possibility is that the Soviet threat might take the form of peripheral wars. The paper might study whether this type of tactic would be the best way for the Soviets to attain their objectives and what particular geographical areas are considered dangerous by governments at this time. Thirdly, the paper might study the possibility that the Soviet threat will assume essentially the form of subversive activities, propaganda, political and economic penetration in the NATO countries and in the non-NATO area. From the political information available to governments at the present time, what are the areas likely to become Soviet targets?

3. We ended up our remarks by saying that if a paper were produced along these lines it might be able to throw some light on the nature of the political threat posed by the Soviets and which the members of the Alliance have to cope with. Our thought was that it would then be for the military strategists to evolve specific plans to deal with the situation.

4. No other delegation was in a position to offer precise views as to how this paper should be organized. The USA Representative said that at the moment his instructions were only that a Trends and Implications of Soviet Policy paper as produced annually for the Ministerial meeting is warranted. He did not think that Washington was necessarily against making a rather pointed political assessment such as that we had outlined but his authorities have not yet considered the matter closely. The UK Representative was much in the same position. He said that the usual annual paper on Trends should be produced perhaps with some alteration but for the moment he could not offer suggestions as to what form it should take. There was some discussion in the Working Group as to whether the title of the proposed paper should be different from that of the annual paper produced by the Working Group. The USA, UK and Italian delegations thought that the usual title should be retained. Some other delegations felt, and we shared their views, that it was unrealistic to discuss the title of the paper before we knew exactly what its contents will be.

5. It was generally felt also that because of the special nature of the proposed paper it should probably assume this year the form of an "agreed" paper on the grounds that it was very difficult for the political division of the Secretariat to assume the responsibility of preparing a paper touching on such delicate matters. Finally, it was agreed that the Working Group will meet in a week's time and in the meanwhile delegations would obtain the views of their authorities on the general nature and, if possible, the specific topics that might be mentioned in the paper. It is hoped that some governments might even go further and produce a first rough draft that could be used as a basis for further discussion.

6. As we have taken the initiative of making this proposal we should appreciate receiving your views on the general outline mentioned above and, indeed, any other suggested outline that you would think preferable. We are not, of course, committed to the ideas that we put forward as it was clearly understood that these were only put forward to elicit the views of other governments and provide some basis for the discussion of the Working Group. The hope is that by next week delegations will have been able to obtain the reactions of their governments and that we might be able to see more clearly the nature of the paper that governments would like to see prepared. Mention was also made during the discussion of the possibility that, because of the character of this exercise, governments might wish to send some of their political experts to Paris to conduct this work. It is perhaps too early to see whether this would be warranted and depending on the outcome of the

forthcoming discussion in the Working Group we should probably reserve our judgment on this point.

7. It was generally realized in the Working Group that if such a paper as envisaged is to be produced it would have to be ready as soon as possible in order that the political guidance it will contain might be taken into account in the military planning that is now under way. The most optimistic target date, according to the Secretariat, taking into account the fact that governments would want to consider this matter carefully, was November 15. This means that the Working Group will meet three times, that is, next week, October 10 and towards the end of October. The intervening periods would be used to allow time for consultations with governments. We should therefore appreciate receiving your preliminary views as to how this exercise should be conducted and on the possible contents of this paper in time for the next meeting of the Working Group scheduled for Friday next.

[L.D.] WILGRESS

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554. DEA/50030-AG-1-40

Le secrétaire d'État aux Affaires extérieures au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs to Permanent Representative to North Atlantic Council

TELEGRAM DLDL-264 Ottawa, September 27, 1956

SECRET. IMMEDIATE.
Reference: Your 1574 Sep 24.

NATO MILITARY REAPPRAISAL

We think that the general outline which you have proposed would be very suitable.

2. It is suggested that the title of the proposed paper be amended to read simply "An Appraisal of Soviet Intentions".

3. As regards the approach to the subject, you might suggest that the evidence relative to intentions is not only what the Soviet government has said and is saying, but also what it has done and is doing in both the domestic and foreign fields. An analysis of Soviet conduct, to be penetrating, ought really to look at this in the perspective of at least the last ten years.

4. The suggestions made above would apply primarily to Section II as you have envisaged this. The evidence relevant to the intentions of a State would seem to fall under these broad categories; politics, economics and defence. You might wish to consider the possibility of a careful summary in this section of the direction of all the relevant developments under each of these three headings. When this has been done, this section might then inquire what intentions on the part of the USSR these developments seem to imply.

5. There might then be a case for an additional section which would integrate the conclusions on Soviet intentions reached in Section II, before proceeding to the third section which you have suggested.

6. We would hope that Section I would consist of more than just an analysis of Soviet pronouncements on their foreign policy aims, and that there might be a real distinction between *ultimate* aims according to unadulturated Soviet theory, and the practical short-term aims of the present leaders.

7. Implied in all this is the suggestion that the task of the paper be rigidly confined to intentions.

8. Section III of the outline might then be amended to read something like this:

"Section III: This would try to define as precisely as possible the present nature of Soviet intentions in the international field and the form in which these intentions might manifest themselves in Soviet policies and actions. This section might review the three main lines along which Soviet policy could develop in the light of the fresh appreciation of Soviet intentions:

(i) The possibility that Soviet intentions, coupled with what in Soviet opinion would be a sufficient military capability, might lead to the launching of a global war. The paper should try to identify the advantages and disadvantages for the Soviets to start a general conflict.

(ii) On the assumption that the Soviet Bloc has the capability of waging successful peripheral wars, they might use this means of implementing their intentions. The paper might study whether this tactic would be the best way for the Soviets to attain their objectives and what particular geographical areas are considered dangerous by governments at this time.

(iii) The possibility that Soviet tactics will assume essentially the form of subversive activities, propaganda, political and economic penetration in the NATO countries and in the non-NATO area. On the basis of the political info available to governments at present the paper might attempt to define the areas most likely to become Soviet targets."

9. In preparing subparas (ii) and (iii) of Section III above we consider that these should not be dealt with in isolation from each other since we would anticipate the probable use of both methods at the same time in different areas.

10. Ultimately the nub of the problem in reappraising the level of NATO forces is to determine what that critical level is. It appears to us that if the level of forces drops below whatever the critical level may be it may prove inviting for the Soviet Union to use the weapon of local war or military and political blackmail within the NATO area without running a real risk of this leading to atomic attack on the Soviet Union. The mere reiteration by NATO of its willingness to use its deterrent atomic power might not in some circumstances convince the Soviet Union that it would in fact be used and the awkward problem would then be posed to the Western Powers whether in the event of local conflict they would use it. It might be best if this latter thought were not expressed in these terms to the Council itself at this time but perhaps you would bear it in mind in any discussions you may have.

11. General Foulkes has seen this telegram and has commented as follows: "It is hoped that the approach which you have suggested, together with the above suggestions, would go far in assessing the probability of war within certain time limits which would enable the Council to decide whether they were justified in accepting risks which would allow the military authorities to reduce their present forces or standards of readiness, or holding of reserves of ammunition and logistics, etc. If such risks are justified, it is also important that a period of time should be established during which these assumptions are valid, (without any qualification or miscalculation) as any decisions taken on reductions take time to produce economic results. Furthermore the scope and character of the probable reductions will vary sharply with the extent of the period under review". It appears to us that this particular problem which General Foulkes has raised would best be dealt with when the Intentions paper and the Standing Group's studies have been completed, so that the Council can reach a judgment on the nature of the threat and on the risks which attach to the maintenance of any particular level of forces.

555. DEA/50030-AG-1-40

Le secrétaire d'État aux Affaires extérieures au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs to Permanent Representative to North Atlantic Council

TELEGRAM DLDL-301 Ottawa, October 7, 1956

TOP SECRET. IMPORTANT.
Reference: My DLDL-300 Oct 5.†
Repeat London, Washington (Information).

NATO MILITARY REAPPRAISAL — UK DRAFT PAPER

Following is text of revised UK draft paper on NATO military reappraisal:

A review of NATO Defence Planning is required in order to determine how, within the resources likely to be available, the defence effort of the Alliance and of each individual member can best be adjusted to achieve the most effective pattern of forces in the light of current developments notably

(i) development of thermo nuclear weapons

(ii) the new Soviet tactics

(iii) the mounting costs of new weapons.

2. It is evident that since the death of Stalin and the detonation of their own thermo nuclear bombs, the Soviet government have re-examined their tactics and strategy. They now appreciate fully the disastrous consequences to Russia of a thermo nuclear attack, and they also appreciate that even after they have attained parity with the West in bombs and means of delivery, this will not affect our ability to devastate their country. It will therefore be their policy to avoid global war, and as global war will not be initiated by NATO, it must be regarded as unlikely.

3. If nevertheless, the Soviet government do commit an identified act of aggression against NATO territory, it must always be understood that the West would at once launch a full scale attack on Russia with thermo nuclear weapons.

4. Soviet long term aims will however remain unchanged. In Europe, the main Soviet objective will continue to be disruption of the solidarity achieved in NATO and WEU. At the same time, Soviet attempts by both economic and political means to undermine the position of the West outside the NATO area, notably in the Middle East, Southeast Asia, and Africa will be strongly increased.

5. It must be assumed that Soviet efforts in the political and economic fields will be supplemented by indirect military action where this seems to them to be to their advantage. This might take the form of action by the satellite or other hostile powers, with Soviet moral or covert military support. We must also expect Soviet-inspired subversive movements, either with or without covert military support e.g. by volunteers.

6. In this new phase of competitive co-existence, the members of the Alliance must show flexibility in their thinking and their dispositions, so as to put their available resources to most effective use in meeting the Soviet threat in its various and changing forms on a world front. Thus the NATO defence effort must be so adjusted as to enable member countries to fulfil also their defence commitments in other areas; and despite the rising cost of weapons overall defence expenditure must be kept at a level which will give the members

of the Alliance the necessary margin of economic strength to compete with the Soviet threat in all its aspects, without endangering their economic stability which in itself is an essential element of their security.

7. Apart from forces for the strategic air offensive, the military forces maintained by NATO should be the minimum needed to meet the following requirements in the NATO area:

(i) to keep confidence in the military effectiveness of the NATO defence organisation; and to prevent external intimidation

(ii) to deal with local infiltrations and incursions

(iii) to enable Soviet or Satellite aggressive intentions at sea, on land, or in the air to be identified as such; to provide a shield against a Satellite attack; and to hold an identified Soviet aggression until the strategic counter offensive becomes effective

(iv) to secure the radar facilities required for the full use of the strategic bomber forces.

8. The atomic capability with which NATO forces will be armed (over and above that provided by the Strategic Air Forces) will be used in the event of aggression whether by Russia or her satellites.

9. The NATO military authorities should re-assess the size, composition and disposition of NATO forces in accordance with the above political direction.

L.B. PEARSON

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556. DEA/50030-AG-1-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DLDL-102 Ottawa, October 9, 1956

TOP SECRET. IMPORTANT.
Reference: Our Tel DLDL-300 Oct 7.
Repeat London, Washington (Information).

NATO MILITARY REAPPRAISAL — UK DRAFT PAPER

We have looked at the UK paper first of all from the point of view of where it fits into the whole reappraisal exercise. Our understanding of what now seems to be under way is a reappraisal which already includes the following elements or stages:

(a) Four military studies, namely two Standing Group studies, one SACEUR study and one SACLANT study. (We have recently received a draft of the first Standing Group paper, entitled "Overall Strategic Concept for the Defence of the North Atlantic Treaty Area". All four studies are based on "Current Political and Economic Guidance Furnished by the Council", which turns out to be an amalgam of guidance provided since 1949 but not reviewed in connection with the present reappraisal.)

(b) A fresh appreciation of Soviet intentions, now being undertaken by the Working Group on Trends of Soviet Policy.

(c) An assessment of the nature and magnitude of the Soviet threat derived from a collation of the appreciation of Soviet intentions mentioned in (b) and the appreciation of Soviet capabilities which the studies mentioned in (a) should provide.

(d) A political and economic directive, based on (c), from the Council to the military authorities. This should also give guidance on the "risks" NATO can run.

(e) A revised formulation by the NATO military authorities of the NATO strategy needed in the light of assessment (c) and directive (d).

2. The most unsatisfactory aspect of stage (a) is that the studies therein suffer from using out-dated political and economic guidance; this is largely because of the mechanical separation of the preparation of the military appreciations and the political guidance which should underly them. These two processes should be related so that in December the Ministers will have drafts to work on in which up-to-date military, political and economic considerations are brought together. One of our impressions of the first Standing Group paper, "Overall Strategic Concept for the Defence of the North Atlantic Treaty Area" (short-titled MC14/2) is that it suffers from being based on older guidance, whereas ideally it should have followed stage (d) or at least have had the benefit of stage (c).

3. The UK draft seems to fit into stage (d). It assumes the completion of stages (a), (b) and (c) and thus takes a great deal for granted regarding Soviet capabilities, intentions and the threat resulting from combining intentions and capabilities. In our view it will also have to be related to the political considerations governing European defence put forward in WEU. Although this draft anticipates three as yet uncompleted stages of the reappraisal, it might constitute a useful working paper for the Council which will soon have to tackle stage (d). We have therefore also examined the paper from this point of view and have the following comments to make on its contents:

(1) Paragraph 2 of the draft contains the assumption that mutual atomic deterrence makes global war unlikely, a further implicit assumption being that global war would be fought with thermo-nuclear weapons. This seems to discard too lightly the possibility of a limited yet serious attack with "conventional" weapons which is dealt with in paragraph 5. Such an attack could (but not necessarily would) lead to the eventual use of atomic weapons. Paragraph 5 mentions some of the forms of action which might be undertaken with "conventional" weapons. Such actions might be countered in kind but they could spark a general conflagration using atomic weapons. When the paper is redrafted, consideration should be given to tying paragraphs 2 and 5 closer together.

(2) Paragraph 3 raises a very important issue and requires most careful thought. It does not seem realistic to lay down the unqualified assumption that any "identified Soviet aggression" will call forth immediate thermo-nuclear retaliation, with the certainty of a Soviet response in kind. The expression "an identified act of aggression" needs careful definition in the context of provoking an atomic reaction. For instance, would the members of the Alliance, and particularly the USA, agree to the triggering off of atomic warfare in the event of an attack by East German forces against Berlin?

(3) In paragraph 4 it is stated that "Soviet long-term aims will however remain unchanged". This begs the first half of the question of the reassessment of Soviet intentions and ignores the other half, Soviet shorter-term aims, between which there might be a real distinction. This part of the draft will have to be revised in the light of the completion of stage (b) above.

(4) Paragraph 6 stresses that the members of the Alliance must show flexibility in their thinking and their dispositions. This is desirable, but flexibility must be accompanied by

closer consultation; otherwise the Alliance would be in no better position to meet the changing forms of the Soviet threat.

(5) "The necessary margin of economic strength to compete with the Soviet threat in all its aspects", also mentioned in paragraph 6, lends itself to very subjective interpretations, and will not be easy to define in the case of each member country in a way which will be acceptable both to the country concerned and to the Alliance as a whole. However, the point is valid and will have to be given due consideration.

(6) In paragraph 7 (iii) there is a clause which says that a minimum NATO requirement is to be able "to hold an identified Soviet aggression until the strategic counter offensive becomes effective". Assuming that it may take up to 30 days' hammering of cities and bases in the Soviet Union to have an effect on the advancing Soviet forces in Europe, something more than a "trip-wire" will be necessary for a shield. If it is the recognized aim of NATO to hold rather than retard a Soviet aggression, then any idea of a "trip-wire" strategy would have to be discarded, since forces able to hold a Soviet advance would obviously have to be substantial.

4. The UK paper and these preliminary comments have not yet been considered by the Chiefs of Staff. We will be sending you their views in due course.

L.B. PEARSON

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557. DEA/50030-AG-1-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DLDL-342 Ottawa, October 17, 1956

TOP SECRET. IMPORTANT.

Reference: Our telegrams DLDL-300 and DLDL-301 Oct 7 and DLDL-102 Oct 9.
Repeat Washington, London (Information).

NATO MILITARY REAPPRAISAL: UK REVISED DRAFT PAPER

Pritchard has now given us a revised UK draft of a political directive to the NATO military authorities, reflecting certain views expressed on the previous draft in Washington. In its present form this draft paper, Pritchard said, is "generally acceptable" to the US authorities and is to be tabled in the NATO Council this Friday.

2. Explaining the nature of the consultations which have taken place in Washington, Pritchard emphasized that the present draft was not to be regarded as a joint product since the US authorities were anxious not to give the impression that the draft political directive was the product of "a discriminatory collusion of a small group within NATO". The draft to be tabled therefore is to be still regarded as a UK draft and is to be discussed in NATO as such. It will apparently be shown only to the French and Germans (apart from ourselves) in advance of the meeting. Pritchard again requested, however, that we should not admit having advance knowledge of the paper in discussing this draft with representatives of other governments.

3. The main changes suggested by the US authorities were as follows:

(1) Paragraphs 3 and 8 of the old draft seemed to imply that a decision had been made in NATO to authorize the use of atomic weapons at the outset of any war, whereas MC48 only authorized the possibility of their use as a planning assumption, reserving the decision to use atomic weapons to member governments. Apparently Mr. Dulles attached sufficient importance to this point to speak to Mr. Selwyn Lloyd about it in New York and changes were consequently made to paragraphs 3 and 8 to make the language more in accordance with MC48.

(2) In paragraph 2 the US queried the very emphatic way in which the previous UK draft had stated that it was Soviet policy to avoid global war. While apparently they were inclined to agree with the UK that under conditions of atomic stalemate global war was less likely, it was the US view that the possibility of Soviet aggression should not be ruled out quite as categorically as it was in the previous draft.

(3) The third point which the US queried was in paragraph 6 with its reference to defence commitments in non-NATO areas. The US asked whether the UK was suggesting that a higher priority should now be given to the defence effort outside the NATO area. The UK apparently replied that they did not intend raising as a new problem the proposal that defence commitments in other areas should be given a higher priority; all they wanted was to emphasize the need for flexibility in the NATO defence effort. Accordingly, a sentence was inserted to the effect that the defence of NATO remains the primary task.

4. Finally Pritchard said that in view of the fact that the UK Permanent Representative in NATO would table the UK draft political directive in the Council on Friday, the UK Representative at the NATO Military Committee in Washington was being instructed to reserve his position on the approval of the NATO strategic guidance paper under consideration in that committee until the NATO Council had considered the political directive to which the NATO strategic paper should be related. Pritchard said the UK authorities hope that the Canadian Representative on the Military Committee would likewise ask for postponement of the approval of the NATO strategic guidance paper pending consideration by the Council of the draft political direction to the NATO military authorities.

For Washington Only:

5. Please draw this telegram to the attention of General Foulkes as quickly as possible.

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558. DEA/50030-AG-1-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DLDL-337 Ottawa, October 18, 1956

TOP SECRET. IMMEDIATE.

Reference: Our DLDL-336 Oct 16† and your Tel 1749 Oct 17.†

Repeat London, Washington (Routine) (Information).

NATO MILITARY REAPPRAISAL: SACEUR'S REPORT SHAPE/230/56
SEPT 28/56

Although it is not for us to criticize the military argumentation of SACEUR's paper it strikes us as a logical and competent study within its terms of reference. However, the political terms of reference are the older guidance on which the MC48 series is based referred to in paragraph 1(a) of our DLDL-300. In the absence of agreement on new political assumptions to be incorporated in the Political Directive for the Guidance of NATO Military Planning, there is no agreed basis for commenting on the political implications of SACEUR's or the other NATO military planning papers.

2. We believe, therefore, that the new political and economic guidance for the military authorities towards which the Council is working must come first, if the military papers in final form are to be realistic and are to constitute a genuine reappraisal of NATO strategy in the new circumstances. We feel that the Council should press on with the elaboration of a new political directive and that this directive should take into account the conclusions of the intentions paper being prepared by the Working Group. More precisely, we would like to see the appreciation of Soviet intentions collated with an appreciation of Soviet capabilities and the resulting assessment of the Soviet threat form an essential part of the directive. In practice the procedure suggested in your telegram 1749 seems to us a good way of approaching the problem. In case any of your colleagues should think that we are introducing an extra stage into the exercise by speaking of an assessment of the threat to follow the appreciation of intentions, we should like to emphasize that we regard this as an essential element in the reappraisal rather than as a separate stage in time. The difficult thing is to assess Soviet intentions. Soviet capabilities are obviously much better known and indeed form part of the background of SACEUR's paper and the Standing Group paper. However, it should be a relatively short operation to produce a statement of the threat reflecting both Soviet intentions and capabilities for use in drawing up political and economic guidance. (Incidentally, it is our view that the assessment of the threat should show an increasing threat to the North American area of NATO, due largely to steadily growing Soviet air/-atomic capabilities.)

3. The UK draft guidance paper would, we believe, be a useful starting point for discussions in the Council leading ultimately to an agreed directive. We note, however, that in its revised form (our DLDL-342 October 17†) the paper has become even closer to the MC48 concept and its underlying assumptions. It is of course conceivable that the reassessment of the threat and other considerations could lead to a political directive little different from that underlying the MC48 series, but it is important that this reassessment be made and be incorporated in the new directive. Among the other new considerations we have in mind are the important political arguments put forward at the recent WEU meeting and summarized in your telegram 1524 September 17,† which we believe must be fully taken into account in the new political directive.

4. To sum up, we should like to see, as the next step, the Council agree on a new directive for NATO military planning for the elaboration of which you have outlined in your telegram 1749 what seems to us to be an expeditious procedure. This directive should also indicate what risks the Alliance is prepared to take in achieving the aims which the directive will set forth. It should then, in our opinion, be given to the military authorities so that the Standing Group, SACEUR and SACLANT papers could be recast in its light.

5. If your colleagues are agreeable to concentrating now on the political directive, we should be grateful to have your opinion on the possibility or likelihood of the directive being ready in time to enable the military studies to be properly revised and made available to the Ministers for their consideration in December. It seems to us that time is getting very short and that it may not be possible to have more than the political directive ready for the December meeting, but of course we hope that the original aim of making revised strategic papers available for the December meeting can also still be achieved.

6. We will be reviewing the problems raised by the military reappraisal with General Foulkes next week when he returns from the meetings of the Military Committee and it would therefore be helpful to have your comments if possible by Monday or Tuesday.

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559. DEA/50030-AG-1-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1772 Paris, October 19, 1956

SECRET. IMPORTANT.
Repeat London, Washington.

NATO MILITARY REAPPRAISAL

The purpose of the special meeting of the Council this morning was to enable the UK Representative to table his political directive paper relating to the current NATO military reappraisal.

2. Before this was done, however, the Council heard a brief report from Mr. Casardi, Chairman of the Working Group on Trends of Soviet Policy, regarding the work of his group (see our telegram 1749 October 17†). It was agreed that the Council need not decide whether the Working Group paper on Soviet intentions should be only discussed within the Council itself before the governments had in fact seen the draft paper prepared by the experts of the Working Group. The governments are requested to send in their comments on the Working Group draft paper before October 30. If it is then considered by the Council that the comments of the governments entail a substantial revision of the Working Group paper the Group might be asked to reconvene again. Otherwise the further discussion of the Working Group paper would take place within the Council itself in connection with the discussion of the UK paper and other papers regarding political guidance. This latter course of action, as you already know, is strongly favoured by the UK.

3. The USA representative opened the discussion on the UK paper by saying that he was not prepared to discuss it in detail at this stage as obviously these important problems will have to be thoroughly considered in Washington. His understanding was that this morning we could only hope to obtain clarification on some of the points of the UK paper. Sir Christopher was asked where he thought his paper fitted in the order of procedure we had suggested regarding the conduct of the current military reappraisal. (We are sending you for your records the text of the memo† we submitted to the Council on October 16.)[54] The UK representative said that they considered their paper as a possible basis of discussion for Stage III mentioned in our memo. This does not mean that our two first stages are overlooked but, in the UK view, the consideration of the basic papers to be submitted to the Council as well as the discussion of the political factors involved in such a reassess-

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[54] Le mémoire canadien, dans lequel on décrivait les étapes de la procédure à suivre dans le cadre de l'évaluation, se fondait sur le document 556. On a envoyé ce document à Ottawa à partir de la mission du Canada auprès de L'OTAN dans le télégramme 1773 du 19 octobre 1956.†
The Canadian memorandum, which described the procedural stages that the appraisal should follow, was based on Document 556. It was sent to Ottawa in NATO telegram 1773 of October 19, 1956.†

ment should necessarily be somewhat parallel. The UK representative saw advantage in having their paper introduced at an early stage in order that the Council may have clear in mind the ultimate objective of the exercise.

4. When prodded further on this point, the UK Representative said that we should not overestimate the importance of the basic military papers for the purpose of the present exercise because all along we have known the Soviet military capabilities. We know that these capabilities are no less dangerous today than they have been in the past, that they can be deployed in all directions in various forms, and that the basic fact is that the Soviets will soon reach atomic parity with the USA. In short, his contention was that governments already have the necessary military background info to prepare a political directive. This UK point of view gave rise to some discussion as several permanent representatives disagreed that all relevant military factors were already available. The Dutch Representative suggested that the Council hold a combined meeting with the military before finalizing its work but there was no support for this idea and it was agreed that the consultation with the military would take place in each national capital in connection with the formulation of their views on the UK paper.

5. Both the French and the Norwegian said that they agreed with the Canadian outline of the various procedural steps that should be taken to conduct the current NATO military reappraisal although they thought it wise not to freeze the procedure before some of the substantive thinking on these important issues was better known.

6. Speaking on his paper, the UK Representative said that NATO military strategy so far had been based on the possibility of World War III. The military in their thinking had not considered the hypothesis where each side could destroy each other so to speak by pressing push-buttons. The radically new element is that the USA are now subject to nuclear bombardment by Russia. To this assertion the USA Representative immediately said that this was perhaps an over-simplification. In fact, military planning has taken this responsibility into account.

7. Referring to sub-paragraph (iii) of paragraph 7 of the UK draft, particularly to the phrase starting with the words "and to hold an identified Soviet aggression etc.", the UK Representative stated that their document was a political one and therefore they had not made any attempt to assess how long this period will be. This is a problem for the military to work out. Quite an extensive discussion developed on this point. The French Representative asked whether this phrase meant that the hitherto accepted doctrine that the shield forces should be strong enough to provide a "durable defence of Europe" was now being abandoned in favour of a concept whereby the shield forces would be strong enough only to delay a possible Soviet offensive until the strategic counter-offensive could be effected. Pressed to clarify his position the UK Representative merely said that in their thinking priority number one goes to the maintenance of deterrent retaliatory power. The second priority goes to counteracting subversion or small aggressions that may develop. All that could be said at the moment was that our resources should be allocated and distributed in the best rational and economical manner. The USA Representative asked clarification about the words "identified Soviet aggression". Did these words mean all types of aggression or only major ones. Sir Christopher replied that they had in mind aggressions which would aim at changing the status quo as against aggressive acts as could be described as mere accidents. The Dutch Representative asked whether the British had also considered the possibility of local conflicts which may grow into something bigger requiring the use of not only conventional weapons but strategic atomic weapons as well. In that eventuality would holding operation still be valid or would the NATO powers use their full atomic capability. Sir Christopher did not wish to go into this at this stage.

8. With regard to paragraph 6 of the UK paper the USA Representative asked what relative importance was being given by the British to the defence of the NATO area and the non-NATO area. Sir Christopher's only reply was that the operation that takes precedence is the one that happens to be conducted at the time. We also asked some clarification as to the phrase of paragraph 6 "Nevertheless the NATO defence effort must be so adjusted as to enable member countries to fulfil also their defence commitments in other areas". Did the words "member countries" mean only those NATO members which have commitments outside the NATO area or all members of the Alliance. Sir Christopher replied that "member countries" meant those which had commitments outside NATO with the qualification, however, that the interests of one member affected the interests of all.

9. The question was asked with regard to paragraph 8 of the UK paper whether it meant that a policy of making available atomic weapons to NATO allies had been agreed upon. Sir Christopher replied in the affirmative.

10. Finally, the French Representative stated that the UK draft paper failed to mention an essential point, namely that the review of NATO strategy should be conducted with a view to strengthening the security and the unity of the Alliance. As you know this point appears in the USA paper circulated at the meeting (we shall not be sending it over to you as this paper is exactly the same as that given by Timmons to our Washington Embassy. See telegram 1874 October 18).†

11. It was finally agreed that the UK, USA and French papers will be considered by governments and that their preliminary comments should be available for the next meeting of the Council on Tuesday October 23. It is envisaged that a series of meetings of the Council will take place in the next few weeks. We should hope to have, by Tuesday, any additional views that you may wish us to put forward both on the procedural aspect and the substance of the problems at hand. We bear in mind, of course, the comments you already sent us in your telegram DLDL-102 of October 9 and which we did not wish to use extensively at this morning's meeting lest we conveyed the impression that we had already studied the UK paper.

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560. DEA/50030-AG-1-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1786 Paris, October 23, 1956

SECRET. IMPORTANT.
Reference: Your Tel DL[DL]-102 Oct 9 and our Tel 1772 Oct 19.

NATO MILITARY REAPPRAISAL

In opening the discussion on the above subject at today's private meeting, Ismay reminded the Council that it was agreed last week the discussion would centre on the text of the UK draft political directive and be concerned principally with points of clarification in that text.

2. Ismay questioned the UK Representative on the last sentence of paragraph 7 (iii) of the UK paper which reads: "and to hold an identified Soviet aggression until the strategic

counter-offensive becomes effective". He wanted to know how long the UK authorities envisaged this period to be. Sir Christopher Steel replied that they thought it would be much less than the thirty days usually mentioned.

3. The Norwegian Representative referred again to paragraph 8, asking whether this paragraph implied that atomic weapons "would be spread out" among the different NATO countries (see paragraph 9 of our telegram under reference). Steel again confirmed that this was his understanding. During the discussion on this point, Steel stated that, as far as this paragraph was concerned, he did not think any distinction should be made between atomic bombs and tactical atomic weapons and that the words "atomic capability" referred to both. This, of course, did not apply to the thermo-nuclear bomb which is possessed only by the USA and the USSR. Steel added that, as far as he knew, this did not necessarily mean that atomic weapons or bombs would be distributed to all NATO members. He thought they would likely be distributed to those forces which, in the circumstances, were in the best position to make use of them. The Belgian Representative suggested that it might be found desirable to issue in the first instance such weapons to the NATO Supreme Commanders rather than to national forces. Steel thought the criterion would be that they would be issued where they would be most militarily effective and politically acceptable.

4. The Norwegian Representative also referred to another problem, which he admitted was not directly connected with the current discussion but which nevertheless greatly concerned his government. The problem was the need to have some type of international control on the production of atomic weapons. He thought that it would be desirable to initiate some joint action in this direction in the UN. The Greek Representative said that his government shared this concern. Both pointed to the possibility of the production of such weapons by irresponsible countries and individuals, such as Nasser, and the consequent dangers. The Greek Representative said that he intended to urge his government to join Norway and any other interested governments in an effort to sponsor some sort of a UN resolution which would aim at restricting the production of this type of weapon. He thought one advantage in this was that it would take away some of the initiative in this field from the USSR, which has been making considerable propaganda out of this issue. I intervened to say that I thought any move in this direction should be in connection with the disarmament discussions that are going on under the UN auspices and I referred to the fact that the problem of control and inspection is the most difficult one. If the issue were raised in the UN outside the framework of the current disarmament discussions, it might only give rise to further undesirable propaganda, especially on the part of the USSR. The Norwegian Representative concluded the discussion on this point by saying that before this matter was raised in the UN, it should be discussed beforehand in the NATO Council. He hoped they could receive the views of other NATO governments.

5. The USA Representative again referred to the words "an identified act of aggression" in paragraph 3 (see paragraph 7 of our telegram under reference) and asked Steel whether he was in a position to enlighten him on the meaning of these words. Steel admitted it was most difficult to attempt a definition. All he could say was that the words were intended to mean any act which was intended to change "the status quo". They were not intended to mean a mere border incident which might result, for instance, from an indiscrete act of a drunken soldier. In reply to a question by Italy whether the West would retaliate with atomic bombs in the event of a Soviet attack with or without such weapons, the USA Representative said he thought it would be most difficult to give a categorical answer to this question but added that the important thing was that the West should have the capability of using these bombs and at the same time retain enough flexibility to decide when they should be used.

6. I then mentioned most of the comments contained in paragraph 3 of your telegram under reference. The UK Representative thought that most of your points deserved careful consideration and added that his authorities would welcome these and any other suggestions for a rearrangement or a better wording of the text in order to dispel any doubts about meaning or intentions. He thought this was the whole purpose of the current discussions. On your comment (3) relating to paragraph 4 and the specific omission of Soviet "short-term aims", he thought that the remainder of the same paragraph covered your point, but he admitted that for the sake of clarity, a specific reference to the shorter-term aims could be written into the text.

7. Ismay said that the UK paper seemed to envisage only the first phase of a future war and gave no political guidance as to what should be planned in the subsequent period following the initial atomic exchange. It was like reading the first chapter of a book, but not the whole story. Steel replied that it was so difficult, if not impossible, to envisage what the result would be following the first phase that it would be highly speculative to attempt to lay down any directive for the subsequent phase. Ismay thought that the NATO naval forces, as one example, might not suffer to the same extent as other NATO forces. He referred to the sea lanes and the vital importance of the Atlantic Ocean as a lifeline to the Alliance. Steel countered by saying that the role of the navy in this period would depend to a very great extent on what harbours and port facilities were still available and usable. His authorities (and he thought the authorities of most other countries were in the same position) just could not foresee what the world would look like after the first intensive atomic exchange and he thought that the only thing to do was to make the best of whatever was left. However, he did not seem to rule out the possibility that some further thought might be given to this point.

8. This subject will be discussed again at the private session of the Council on October 30. It is hoped that, by that time, all delegations will be able to give the considered views of their respective governments on the text of the UK paper.

[L.D.] WILGRESS

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561. DEA/50030-AG-1-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DLDL-375 Ottawa, October 25, 1956

SECRET. IMPORTANT.
Reference: Your Tel 1786 Oct 23/56.

NATO MILITARY REAPPRAISAL

The discussion at yesterday's Council meeting appears to have been a second reading of the UK draft political directive, the first having taken place on October 19. While we agree with the UK Representative's point mentioned in paragraph 3 of your telegram 1772 October 19 that the consideration of stages I, II and III be somewhat parallel, we would like to repeat our approval of the procedure outlined in your telegram 1749 October 7. It is our feeling that it would be wasteful to spend much time in commenting on the UK paper in its present form before it can be considered jointly with the Working Group's study of Soviet intentions and an assessment of the Soviet threat. In this connection please refer to paragraphs 3 and 4 of our DLDL-337 October 18. We hope that this procedure is already being adopted although the discussion reported in your telegram under reference left us wondering whether the UK draft, after some pruning and editing paragraph by paragraph, might be accepted by the Council as a new political directive without sufficient discussion of a re-assessment of the threat. The reappraisal might then come to be little more than a formality, in which case the European misgivings and criticisms recently expressed in WEU would almost certainly reappear in more acute form. Probably the foregoing is an overstatement of our apprehensions but this has been done to emphasize our interest in seeing that the reappraisal is as genuine and thorough as possible. We recognize, of course, that it is for the Europeans rather than for you to express any misgivings they may have about the thoroughness or otherwise of the reappraisal.

2. In using the UK draft directive as a working basis or starting point in the formulation of a new directive we think that concurrent consideration can and should be given to the points raised in the WEU Ministerial meeting, in the United States statement quoted in Washington telegram 1874 October 18,† and in the French notes quoted in your telegram 1690 October 9.†

L.B. PEARSON

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562. DEA/50030-AG-1-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1816 Paris, October 26, 1956

SECRET. IMPORTANT.
Reference: Your Tel DLDL-375 Oct 25.

NATO MILITARY REAPPRAISAL

I welcomed receipt of your telegram under reference because it confirmed that you had the same misgivings which have been worrying us. Ever since the Council meeting on October 23 I have been thinking over our future tactics. Yesterday I decided to send you a telegram today outlining the situation as I saw it and asking for your further guidance. Consequently, your telegram under reference arrived at a most opportune time.

2. First of all I would like to clear up certain aspects of the current situation which you may not fully have understood from our telegrams. At the meeting on October 19 when the UK Representative introduced their draft political directive there was a discussion as to how the Council should proceed in view of the fact that papers had been submitted by the Canadian, French, USA and UK delegations. It was agreed that the most practical procedure would be to take the UK paper as a basis for discussion but at the same time taking into account the papers submitted by the other delegations. For convenience of reference the Secretariat reproduced all the papers in Document C-M(56)121. This is now one of the basic documents.

3. The discussion on October 23 was a very preliminary second reading of the UK draft political directive. Delegations had been given until October 30 to obtain the views of their

governments and consequently only a few representatives were prepared to comment. The discussion is to be resumed at the meeting on October 30 when it is hoped that all representatives will be instructed.

4. I fear there has been a misunderstanding regarding the procedure outlined in our telegram 1749 of October 17. This is probably due to the fact that the subject of the telegram was given as "NATO military reappraisal". The paper being considered by the Working Group referred to in that telegram was the paper on "Trends and Implications of Soviet Policy" which has since been circulated as document AC/34(56)WP/9. You will have noted that the paper contains in paragraphs 29 to 34 inclusive an "Estimate of Soviet Intentions". My fear is that the UK, after stalling until their paper was ready, now intend to concentrate on a procedure which better conforms to their ideas than ours. What they have in mind is that only one main paper will go to the Ministerial meeting for action, namely a paper based on their draft political directive. The paper on "Trends and Implications of Soviet Policy" will be used as a background paper together with such papers as may emerge from the meeting of the Military Committee to be held on December 4.

5. What has been worrying me has been that the UK and the other delegations do not appear to share our appreciation of the need for a reexamination of the MC48 concept and its underlying assumptions. Such an examination would have to be made by the NATO military authorities. It is probably too much to expect that it could be done before the December meeting but if this is the objective the political directive should be framed to this end.

6. Another of my worries is that no representative has yet commented on our memo on procedure, the text of which was given in our telegram 1773 of October 19.† Consequently, no consideration is being given to the possibility of fitting in Stage 2 of that procedure. I have realized that there are practical difficulties for the Council to prepare a general assessment of the strength and magnitude of the Soviet threat. I was grateful to have your telegram DLDL-337 of October 18 in paragraph 2 of which you elaborated what you have in mind. The chief practical difficulty arises from the fact that the civilian and military sides of NATO work in separate compartments. The Council may consider that Soviet intentions have been covered adequately in paragraphs 29 to 34 of the paper on "Trends and Implications of Soviet Policy" and that information regarding Soviet capabilities is available from the military documents. It will be argued that it is not possible to go further than this. I take it that one of your main objectives is that given in the last sentence of paragraph 2 of your telegram DLDL-337. If this is the case I should appreciate if you could consult General Foulkes on how far he thinks the military would be prepared to go in giving information about the steadily growing Soviet air/atomic capabilities and the threat that this brings to the North American area of NATO.

7. To collate adequately Soviet intentions and Soviet capabilities would require a joint exercise with the military for which we are ill-equipped. We could, however, direct a specific request to the military for certain date to be used by the Council in drawing up an appreciation of Soviet intentions collated with an appreciation of Soviet capabilities. This is what I had in mind proposing if any representative raised at the next meeting a question as to how we should proceed to deal with Stage 2 of the proposed Canadian procedure. What I would particularly like to have guidance on is the desirability of raising at some time or other the fundamental question of whether or not we are looking towards a reexamination of the MC48 concept and its underlying assumptions. This appears to me basic to the whole exercise. If the end result would be a re-affirmation of the soundness of this concept in the light of the changed political and economic situation, we would have accomplished the major objective which was to dispel so many of the doubts which have

been raised and which found expression at the meeting of the WEU Council. I would not wish, however, to state the position in these terms unless on specific guidance from you.

[L.D.] WILGRESS

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563. DEA/50030-AG-1-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DLDL-384 Ottawa, October 29, 1956

SECRET. IMMEDIATE.
Reference: Your Tel 1816 Oct 26/56.

NATO MILITARY REAPPRAISAL

We appreciate your misgivings about the trend in the thinking of some delegations in the Council discussions on the military reappraisal and it was this which prompted our comment in DLDL-375 of October 25. However we see no reason why confusion need arise provided the Council follows sensible application of the procedures which we have suggested in the conduct of the current NATO military reappraisal as set out in your memorandum of October 16 (repeated in your 1773 of October 19†).

2. The confusion seems to arise from treating the need for "reexamination of the MC48 concept" and its underlying assumptions as one exercise rather than two at this stage. We see the two-fold problem as (a) re-examination of underlying assumptions and then (b) re-examination of MC48 concept in the light of (a). Surely the Working Paper on Trends of Soviet Policy (on which we comment in detail in a separate telegram†) represents an assessment of the Soviet threat in terms of both intentions and capabilities and thus fulfils the necessary preliminary groundwork in terms of basic study and appreciation referred to in Stages 1 and 2 of our procedures which are necessary to the formulation of the directives for military planning under Stage 3. As we have indicated in previous messages we should not insist on any artificial separation of the various stages in our procedural approach in terms of time. What we should insist on however is that the Council should prepare a draft directive for the consideration of Ministers in December which would in effect represent a re-examination of the assumptions underlying NATO military planning.

3. Once the Ministers have approved the political directive we would presume this directive would be turned over to the NATO military authorities who would be required to consider to what extent, if any, the strategic guidance and military planning papers should be revised. At this stage we are not assuming that the MC48 concept need necessarily be revised but what we would like to see is a thorough examination of the underlying assumptions which should be reflected in the draft directive which would take into account the changing international political and economic circumstances under which military planning is to proceed in the future. This I would hope you would make clear in any further remarks in the Council.

4. In the light of the foregoing we would be prepared to go along with the UK in the suggestion that only one main paper go to the Ministerial meeting for action but as suggested in our DLDL-375 of October 25 we would want that paper carefully considered in

relation to the excellent work done by the Working Group in the reassessment of the threat and taking into account the points raised by our European partners at the WEU Ministerial meeting, the USA statements quoted in Washington telegram 1874 October 18 and in the French notes quoted in your 1690 of October 9.

5. We would think that the conclusions of the Working Group's paper on Trends of Soviet Policy might be included in the draft directive as revised in the Council discussion in the form of a preface. The main body of the trends paper might be included as an appendix to the political directive. If this were done, it would both make clear what the underlying assumptions of the directive were as well as we would hope ensure that the political directive would be examined and revised in the light of these assumptions.

6. Concerning the point in paragraph 6 of your message about Soviet capabilities, we would think that it would be inappropriate to spell out Soviet capabilities in any detailed way in a political directive. The main point which needs to be covered is that Soviet capabilities in every military field are steadily improving and will continue to do so, whatever the political climate may be. You will note in our comment on the Working Group paper we have suggested a change of wording covering the increasing Soviet capability for the delivery of nuclear air attacks against North America as well as Europe. If the Council needed supporting data we would suggest that reference be made to the S.G.161 series, which reviews annually Soviet capabilities.

7. To sum up we would most certainly look to the Council concentrating at the December meeting on a thorough re-examination of the assumptions underlying NATO military planning and believe that this re-examination should result in the draft political directive to be considered by the Ministers and upon which we shall be sending comments later.

L.B. PEARSON

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564. DEA/50030-AG-1-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1901 Paris, November 6, 1956

SECRET. IMMEDIATE.
Reference: My Tel 1816 Oct 26.†

NATO MILITARY REAPPRAISAL

Council resumed its discussion of the NATO military reappraisal at a private meeting this morning directing its attention first of all to the Working Group paper on "Trends and Implications of Soviet Policy". The meeting was not a satisfactory one in that prior to commencing discussion Ismay afforded an opportunity for representatives to discuss the latest news on the situation in Hungary and in the Middle East. Moreover, the discussion was interrupted a number of times when representatives intervened to report most recent developments on the basis of telegrams which they received during the meeting. I mention this to indicate the atmosphere in which the discussion took place. The final outcome was not too unsatisfactory from our point of view.

2. After the Chairman had introduced the subject the Italian Representative intervened to say that in his opinion it was not opportune to discuss the paper until the international situation had clarified. He was supported strongly by the German Representative and by a number of other representatives. I had to intervene to point out the connection which we saw in the paper under discussion to the whole question of the military reappraisal and the preparation of a more up to date political directive on which future military planning could be based. This enabled me to outline our ideas about having the conclusions of the Working Group paper included in the directive in the form of a preface and the main body or Part II of the paper being included as an appendix to the political directive (paragraph 5 of your telegram DLDL-384). Sir Christopher Steel said that he thought this was a good idea and he hoped that the Council would follow our proposal to have a thorough discussion of the paper as a preliminary to further consideration of the draft political directive.

3. At a later stage I had to intervene again to point out that there was only five weeks left before the Ministerial meeting and we could not afford to let time pass by waiting for events to clarify. It was important that the Working Group should start at an early date with the revision of the paper, both in the light of recent events, in the light of amendments proposed by delegations and in the light of Council discussion. The revision of the basic paper for the Ministerial meeting would have to be a continuous process and I could only see a final text emerging shortly before the Ministerial meeting but in time to give the Ministers an opportunity of studying it.

4. In the meantime there had been circulated amendments proposed to the Working Group paper by the Canadian, UK and USA delegations. Our amendments were based on your telegram DLDL-385 of October 29.† The UK proposed a few amendments to paragraphs 4 and 5 of Part I. The USA amendments also related to Part I of the paper. We shall be sending you the amendments proposed by the UK and the USA delegations in our two immediately following telegrams.†

5. Finally Ismay proposed that we go through the paper paragraph by paragraph in order to accomplish the objective referred to by Steel. I proposed that we should first of all take up Part II because the conclusions were derived from this part of the paper. This was agreed to but we only got as far as paragraph 3 when a deadlock between those who were willing to continue discussion at the present time and those who favoured postponement until the international situation had clarified. Steel had argued that events in Hungary should not be interpreted as a return to the Stalinist method of repression in the Satellites and I supported him in this contention. Perkins, however, took directly the opposite view and said that they thought that from now on we would witness a return to a policy of repression so far as relations with the Satellites were concerned. This gave the opportunity for all those delegations who were seeking postponement to argue that it was not possible now to proceed with consideration of the paper until this fundamental question had been resolved.

6. The Chairman attempted to break the deadlock by proposing that we leave Part II in abeyance for the present time and turn our attention to Part I because the conclusions seemed to be less controversial. However, there seemed to be little disposition in the Council to get down to a detailed consideration of what we have described as the underlying assumptions behind NATO strategy. Proposals were made that the Working Group should attempt to revise the paper they had produced.

7. After some confusion it was agreed to call the Working Group together on Friday morning next to have them present as soon as possible a revision of the conclusions set forth in Part I. In order not to delay matters they would not attempt to produce an agreed

text and where there were divergencies these would be indicated in square brackets for the Council itself to resolve. The intention would be to produce such a revised paper for the Council to consider on Monday next. After this, the Working Group would direct its attention to Part II, making as much progress as it could in the light of the discussions which the Council will be having on the conclusions. As soon as a more definite consensus of view is derived from the Council discussion the draft political directive will be taken up so that all parts of this exercise may be proceeded with as expeditiously as possible.

8. Action required. Your telegram DLDL-385 gave us concrete suggestions for the revision of Part II. Paragraph 15 of that telegram stated that these concrete suggestions would need to be reflected in the conclusions of the paper in Part I. For the guidance of our representative in the Working Group it would be useful if we could have your concrete suggestions for the revision of Part I. These should reach us in time for the meeting on Friday morning, November 9.

[L.D.] WILGRESS

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565. DEA/50030-AG-1-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 1971 Paris, November 15, 1956

TOP SECRET. IMMEDIATE.
Reference: Your Tel DLDL-102 Oct 9.

NATO MILITARY REAPPRAISAL — UK DRAFT PAPER

The Council for the last three days has been getting down to detailed consideration of Part I of the paper on "Trends and Implications of Soviet Policy". You will be glad to hear that this has induced the Permanent Representatives finally to face up to the fundamental issues involved in the NATO military reappraisal. Our detailed study of this question has been facilitated by Ismay giving up the chair after the first meeting and leaving it to Bentinck to preside. We shall be sending you tomorrow the new revised text as it has emerged from Council consideration and will also give our comments on the reasons for the more significant changes.

2. The purpose of this telegram is to advise that it was agreed today that the next meeting of the Council will be held on Monday morning, November 19. The Council will first of all give final approval to Part I of the "Trends" paper and then go on to consider the UK draft of the political directive. In the latter connection you may wish to send us further instructions than those contained in your telegram under reference which we took to be your preliminary comments on the UK draft paper. In this connection I think it is important to let you know that the impact of the events in Hungary and the Middle East is leading the Council away from the former complacent attitude based on the retaliatory nuclear capability being sufficient to deter the Soviet Union from running the risk of a general war. Led by Blankenhorn of Germany but with considerable support from the other European countries, the trend has been even to question the wish of the Soviet leaders to avoid a general war. I have been in the lead in resisting this trend and have received some support from the UK, so that the text of Part I of the "Trends" paper as it has emerged is somewhat of a half-

way position between these two opposing views. I feel sure that the same conflict is likely to arise when we come to consider the UK draft political directive. You may wish to bear this in mind when you send your further instructions. These should reach us in time for the meeting on Monday morning, November 19.

[L.D.] WILGRESS

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566. DEA/50030-AG-1-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 3012 Paris, November 20, 1956

SECRET. IMPORTANT.
Reference: Your Tel DLDL-513 Nov 16/56.†

NATO MILITARY REAPPRAISAL

Our immediately following telegram contains the revised text of the paper on Trends of Soviet policy.

2. This revised text was submitted to Council yesterday by the Secretariat, and it was unanimously agreed that from the point of view of presentation it was by far preferable to the earlier text. The efforts of the Secretariat have consisted in rearranging the sequence of paragraphs of the earlier paper in order that they may fall logically under three heading: general trends of Soviet policy; possibilities of general nuclear war; possibilities of Soviet action through the use of conventional arms. Not only is the new presentation a more logical one, thus making the paper more readily assimilable but the present text, in our opinion, constitutes a better introduction to the political directive that the Council will prepare.

3. The old paragraph 3 (now 4 in the present text) remains substantially as it was although it has been slightly shortened at the suggestion of the USA delegation. No attempt is made in the new version to define under what circumstances greater risks would be taken by the Soviets. This further compromise enabled the UK Representative to accept paragraph 3, albeit subject to his government's approval, and abandon a far more restrictive amendment he had proposed which only recognized miscalculation as qualifying the general proposition that the Soviets will not in the foreseeable future deliberately launch a general war.

4. As you will see, paragraph 6 of the new text now consolidates sub-paragraph (a) and (b) of the old paragraph 4. No substantive change is involved here and, from the point of view of presentation, the new version is more concise and clearer.

5. You will notice that the bracketed sentence relating to satellite forces has now been dropped from this paragraph and appears in sub-paragraph 2 of paragraph 2. This sentence now reads: "The effects of the upheaval in the Satellites on the military strength of the Soviet Bloc are not yet wholly clear, but some of the European satellite forces might not be reliable, depending on the circumstances in which aggression occurred." Our amendment was accepted in that form.

6. With regard to Part II of the paper, your suggestion has been accepted by the Council with the proviso that if the Secretariat is able to bring it in line with Part I before the

Ministerial meeting, Part II might be presented as a Secretariat paper (which does not necessarily represent the agreed views of the governments) and given to the Ministers as background info.

7. The Council agreed also to constitute the USA, UK and French Representatives as a working party which will prepare a single draft political directive paper on the basis of the three draft papers (USA, UK and French) already submitted to the Council. The international staff will be represented on the Working Group by the Director of the Political Division, the SGLO and Mr. Greeg. The Council agreed to take into account the proceedings of the September meeting of the WEU Council in preparing their draft directive.

8. The trends paper will come up in Council for final approval on Thursday and unless we hear further from you we shall assume we may accept it as it now stands.

[L.D.] WILGRESS

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567. DEA/50030-AG-1-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 3013 Paris, November 20, 1956

SECRET. IMPORTANT.

Reference: Our immediately preceding Tel 3012 Nov 20.

NATO MILITARY REAPPRAISAL

Following is revised text of "Trends" paper. Text begins:

PART I. SUMMARY OF CONCLUSIONS

General Trends of Soviet Policy

The Soviet leaders see international affairs in terms of a struggle for world domination between two rival ideologies. This concept also coincides with many aspects of traditional Russian power policy. They continue their unremitting efforts to weaken and ultimately to destroy the "capitalist world", which they look upon as their opponent in this struggle for power. This assessment has been confirmed by the events which have taken place in Hungary and the Middle East.

2. Whatever repercussions these events may have within the USSR, there is no reason to doubt that the régime will remain sufficiently stable to go on developing its economic and military strength.

In spite of reductions in manpower, the military strength of the USSR will not be diminished. On the contrary, it is steadily increasing in terms of modern weapons for air, land and sea forces. Overall nuclear capability continues steadily to grow, including a capability for the delivery of nuclear weapons both within Europe and directly against North America. In addition to expanding their nuclear capability, the Soviets appear to be keeping forces able to undertake non-nuclear warfare on either a large or a small scale. The effects of the upheaval in the Satellites on the military strength of the Soviet Bloc are not wholly clear, but some of the European Satellite forces might not be reliable, depending on the circumstances in which aggression occurred.

Changes in the direction of decentralisation and limited "democratisation" in the Soviet Union have taken place; these changes have not been so extensive or of such a character as to constitute a basic change in the Soviet régime.

These developments have also affected Soviet-Satellite relations. The recognition of "different roads to socialism" and the shock of de-Stalinisation have imposed very great strains on the structure of the Bloc, and have confronted the USSR with serious policy dilemmas. It is not clear at present whether the USSR, having apparently miscalculated the score and strength of nationalism and anti-communism in Eastern Europe, will continue its earlier policy of modifying Stalinist types of economic, political and military controls in the Satellites. It is clear, however, that there are limits beyond which the Soviet GKZT will not permit the Satellites to go and they are prepared to take not only economic and political, but also the most ruthless military measures to retain their control over the bloc.

3. The rapid growth of the Soviet Union's economic strength gives added hope to the Soviet leaders that their aims can be achieved without resorting to a war in the foreseeable future. To accomplish an expansion of its influence the USSR has attempted to portray itself as a force for peace, has tried to lessen the suspicion of Soviet intentions in non-communist areas, and has made increasing use of traditional diplomacy, economic ties, and cultural relations. While the Soviets are likely to continue these policies they may now find increasing difficulties in doing so, at any rate in the West.

The USSR's continuing and main objective in the NATO area is to undermine support for Western defence arrangements and thus lead the way to the dissolution of NATO. At the same time, the Soviet government are actively exploiting new possibilities for trouble-making which have arisen in the Middle East, Asia and Africa. By capitalising on the forces of nationalism and neutralism, the Soviet government seek to increase their position of power vis-à-vis the West and to undermine and outflank the world-wide position of the Western Powers. In this process two important weapons are the Soviet Union's growing ability to make attractive economic offers on a highly selective basis and its readiness to supply conventional arms from its large disposable stocks. They will be able to do both with increasing facility as they continue to maintain a rate of industrial growth designed to outstrip the West in economic as well as military power.

Possibilities of Soviet Launching of General Nuclear War

4. There is no doubt that the Soviet leaders understand and fear the consequences of general nuclear war. It can be assumed therefore that they will not deliberately launch a general war so long as they know that the West is prepared to retaliate with nuclear weapons in sufficient strength to devastate the USSR.

Circumstances may develop, however, in which the Soviet leaders may harden their attitude and be prepared to take greater risks than heretofore. They have indulged in the use of threats, including the threat of war and even of nuclear attack, as blackmail to attain their ends.

There is, furthermore, a danger of general war arising from miscalculation on their part. This danger could arise, for example, through an underestimation of the Western reaction to an aggressive action by the Soviets or through a misconstruction of Western intentions which might lead them to conclude that the Soviet Union was about to be attacked with nuclear weapons.

Possibilities of Soviet Action Through Use of Conventional Arms, Entailing Risk of General Nuclear War

5. The Soviet leaders are fully aware that any attack they might launch against NATO, even with conventional arms, would entail an immediate military response by the NATO Alliance and thus risk a general war. They would almost certainly regard open attacks with conventional arms across recognised state frontiers outside the NATO area by Soviet, Communist Chinese or Satellite forces as involving, under present conditions, a serious risk of general war and therefore as something to be avoided. The Soviets are thus not likely to launch such attacks, provided that the West maintains its defence commitments, such as the stationing of overseas troops in Western Europe, its firm purpose to defend itself, appropriate nuclear retaliatory strength and adequate conventional forces to ensure that local armed intervention by Soviet or Satellite forces does not offer a prospect of easy success.

6. However, the following possibilities of action by the Soviet leaders through the use of conventional arms, but which would, in varying degree, entail the risk of deteriorating into a major war, must be included among those requiring consideration:

(a) *General Attacks Against NATO.* The USSR might launch general attacks with conventional weapons against NATO if the Soviet leaders estimated that the Alliance would be deterred from employing nuclear weapons against the USSR except in retaliation to a Soviet nuclear attack. The Soviet leaders might believe that NATO would be thus deterred, for example:

— because of assumed Western reluctance to be the first to use nuclear weapons;

— because of assumed fear on the part of the West that it was more vulnerable than the Soviet Union to nuclear attack;

— because of assumed Western division or demoralisation.

(b) *Local Attacks Against NATO.* If the Soviets believe that NATO would be deterred from employing nuclear weapons (except in retaliation to a Soviet nuclear attack) and were not able to defend itself against all types of limited aggression, including local attack (e.g. by a Satellite), the Soviets might initiate, instigate, support or condone such aggression.

(c) *Attacks Against Peripheral Non-NATO Countries.* If the West is deemed to be deterred from employing nuclear weapons and if for this or other reasons the Soviet leaders thought that a non-NATO country on the periphery of the Soviet Bloc would not or could not receive effective support of the Western Powers, the Soviets might be tempted to use their preponderance in conventional forces either for armed intervention in the country in question or to exert pressure on it in order to influence it towards alignment with the Soviet camp.

(d) *Insurrection and Guerrilla.* Armed insurrection or guerrilla activity under direct or indirect Communist sponsorship supported by irregular or "volunteers" from the Bloc might occur if the Communists are presented with opportunities (e.g. serious internal disorders in a non-communist country, disunity in the free world or collapse of its defence arrangements, etc.).

(e) *Indirect Intervention Outside of NATO Area.* Situations in which relations between countries outside the Soviet Bloc deteriorate will be exploited by the USSR to further her political, economic and military influence. If the deterioration of such relations reaches the point of armed conflict, the USSR may go to the length of sending various forms of military assistance, including "volunteers", from the Bloc.

(f) *Soviet Intervention in Satellites*. Extensive military measures by the USSR to cope with serious deterioration of its control over the Satellites can produce an explosive situation. Text ends.

[L.D.] WILGRESS

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568. DEA/50030-AG-1-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DLDL-539 Ottawa, November 21, 1956

SECRET. IMMEDIATE.
Reference: Your Tels 3012 & 3013 Nov 20.
Repeat Permis New York (For Minister), Washington, London (Routine) (Information).

NATO MILITARY REAPPRAISAL

The revised text of the paper on Trends of Soviet Policy has probably now been as much refined as circumstances will allow. Since most of the points to which we attached importance have been adequately covered, you may now accept it as it stands.

2. We welcome the establishment of a working party to prepare the draft political directive paper on the basis of the USA - UK - French drafts. We hope that the working party will be able to present a revised draft in the briefest delay so that the Council and each member government can give adequate consideration to the paper prior to the Ministerial meeting. The military reappraisal item will be a major question at the December meeting and it is important that comprehensive briefs be available to the Ministers.

3. We have given some thought in the last few days to the points which in our view should be covered by the draft political directive. While you are not on the working party, there might nonetheless be some advantage in providing you with an indication of our present thinking on this matter in case you have occasion to be consulted informally by one of the members of the working party.

4. Generally speaking we believe the draft political directive should include:

(a) A statement of the threat to NATO; it has already been agreed that this would be Part I of the paper on Trends of Soviet Policy.

(b) A statement of the general aim of NATO, with particular emphasis on the military and strategic objectives. This could presumably be adequately covered by a review of the assumptions in MC 48 and MC 48/1, and by the general principles found in the opening articles of the Treaty.

(c) The clearest attainable definition of NATO responsibilities towards first the NATO area, and second the non-NATO area. To be complete this would require very careful examination of the responsibilities of the NATO military authorities in the event of incidents at borders of NATO countries, and of internal unrest in areas adjacent to but outside the NATO area. We recognize that this may raise a number of particularly complex issues, but which in our view can hardly be neglected in the face of recent developments.

(d) Some indication of economic assumptions, and the resources that are likely to be available. Although a vague reference to this point is contained in the UK draft, it is essential that this factor should be more clearly brought out and more extensively covered in the political directive. If it is not, we may be faced once again with the problems of the gap.

(e) An indication of the likely duration and accompanying intensity of the threat.

(f) An indication of the calculated risks which the organization could advisedly take while engaged in meeting the threat.

5. The last two points must necessarily be of a highly speculative nature and may in fact prove so difficult to elaborate as to be of limited use for the purpose of the draft political directive. However, we feel that in view of some of the studies on defence planning already carried out by the military authorities for various specific periods in the future, it might be worthwhile to try to cover these last two points if this can be done at all.

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569. DEA/50030-AG-1-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 3080 Paris, November 28, 1956

SECRET. IMMEDIATE.
Reference: Our Tel 3079 Nov 28.†

NATO MILITARY REAPPRAISAL-POLITICAL DIRECTIVE

Following is the text of revised draft political directive. Begins:

The North Atlantic Treaty states that the basic aim of the Alliance is to safeguard the freedom, common heritage, and civilisation of the peoples of the NATO countries. To this end, a common defence system has been built up for the purpose of averting war. This purpose cannot be fulfilled unless the potential aggressor is made aware that the starting of a war would lead to his ultimate defeat. Hence, NATO defence planning has had to provide both a major deterrent to aggression and an assurance of the eventual defeat of the aggressor if there should be resort to armed aggression.

2. In the light of the conclusions contained in Part I of this paper, a review of NATO defence planning is required in order to determine how within the resources likely to be available, the defence effort of the Alliance and of each individual member can best achieve the most effective pattern of forces [for the next few years].

[This directive has long-term implications involving detailed implementations over a considerable period of time. This period will not be less than .... years.]

3. For NATO defence and as a major deterrent to Soviet aggression a fully effective nuclear retaliatory force must be maintained and protected. For this purpose there must also be provided the coordinated radar and communications facilities needed for air war.

4. In addition to the nuclear retaliatory force, the land, sea and air forces maintained by NATO should be designed to defend NATO territory and in particular to meet the following requirements:

(a) To keep confidence in the military effectiveness of the NATO defence organization, and thereby to contribute to the deterrent to aggression, and to prevent external intimidation;

(b) To deal with infiltrations, incursions and local action by the Soviets, or by Satellites with or without overt or covert Soviet support;

(c) To identify serious Soviet or Satellite aggression (on land, sea or air), and to deal with such aggression in accordance with the concept of "forward strategy" and to sustain operations without any major planned withdrawal until the strategic counter-offensive has achieved its objectives;

(d) To protect and maintain sea communications as required in support of the above missions.

For the purposes of (a), (b) and (c) above, it should be assumed that, as an essential element of NATO policy, British, Canadian and USA forces will continue to be stationed in Allied Command Europe.

5. The forces required for an effective shield must, of course, have the capability to deal with the situations envisaged in 4(b) above without recourse to nuclear weapons. Should the situation so require, they must also be prepared to respond quickly with nuclear weapons to any type of aggression, and for this purpose they should be provided with a nuclear capability. [The decision to use nuclear weapons would, in each case, be a matter for governments.]

6. [Although NATO defence planning relates primarily to the Treaty area, it should take into account dangers which may arise for NATO because of developments outside the Treaty area.]

7. In planning for the most efficient organization and equipment of NATO forces, account must be taken of the possible need for certain NATO countries to use some of their NATO forces to meet defence commitments elsewhere, such as may arise because of the various and changing forms of the Soviet threat on a world front. This need should, however, be harmonised with their NATO commitments.

8. It is probable, but by no means certain, that an attack on NATO would be preceded by a period of acute political tension and heralded by advance indications involving the application of the "alert" system. Nevertheless, the consequences of an attack on NATO without warning are such that those NATO forces and facilities directly relating to nuclear retaliatory action must be kept in constant readiness at all times. Shield forces must be maintained at the appropriate standards of readiness.

9. In deciding on the allocation of total resources, governments will take account, inter alia, of the rising cost of new weapons and of the need for economic resources to deal with the Soviet threat in all its aspects, without endangering their economic stability, which in itself is an essential element of their security. Therefore, in present circumstances, few, if any, NATO countries can be expected to make a substantial increase in the proportion of their resources in men, money and materiel devoted to defence. Ends.

[L.D.] WILGRESS

570. DEA/50030-K-40

Extrait du procès-verbal de la réunion du Comité sur les aspects économiques des questions de la défense

Extract from Minutes of Meeting of Panel on Economic Aspects of Defence Questions

TOP SECRET [Ottawa], November 28, 1956

Present

Mr. R.B. Bryce, Secretary to the Cabinet
Mr. F.R. Miller, Deputy Minister of National Defence
General C. Foulkes, Chairman, Chiefs of Staff
Mr. D.A. Golden, Deputy Minister of Defence Production
Mr. A.H. Zimmerman, Chairman, Defence Research Board
Mr. R.M. Macdonnell, Deputy Under-Secretary of State for External Affairs
Mr. A.F.W. Plumptre, Assistant Deputy Minister of Finance
Mr. G.W. Hunter, Assistant Deputy Minister of Defence Production
Mr. W.R. Martin, Privy Council Office (Secretary)
Mr. D.B. Dewar, Privy Council Office (Assistant Secretary)

Also Present

Mr. G. Ignatieff, Mr. A.E. Ritchie, Mr. A.R. Crépault, Department of External Affairs
Mr. F.A. Milligan, Department of Defence Production
Mr. R.G. MacNeill, Mr. A.B. Hockin, Department of Finance.

I. SUBMISSION TO MINISTERS ON QUESTIONS TO BE CONSIDERED AT THE NATO MINISTERIAL MEETING IN DECEMBER, 1956.

. . .

NATO Defence Effort: Political Directive to the NATO Military Authorities

> (Document ED 16-56, text of the *Draft Political Directive* prepared by the Working Party, which had been circulated previously, was replaced by a later version of the text contained in Telegram 3080 of November 28 from Paris, which becomes Document ED 16-56(R)).

4. *Mr. Macdonnell* said that the production of a political directive had had its origin in two different factors. One of them was that some NATO members had hoped that a generally easier defence burden would result from better relations with the Soviet Union in the past few months. In particular, the United Kingdom had hoped to be able to reduce its force commitments in continental Europe. A second factor was the desire of the NATO Council to give the military authorities a revised set of political assumptions which they could use as guidance in future planning. Shortness of time had made the work of drafting a political directive difficult, and indeed, it was not likely that a final version on which governments had agreed could be prepared before the ministerial meeting.

5. *Mr. Ignatieff* commented that the paragraphs in the Draft Submission which dealt with the political directive attempted to point out some of the main issues and problems which the directive had raised. For instance, if the directive was addressed primarily to countries which had not met their force commitments, or which had reduced their components of the European shield, Canada would not be affected. If, however, the meaning of paragraph 5 of ED 16-56(R) was that countries should consider being able to meet an attack by using conventional weapons as an alternative to nuclear weapons, Canada certainly would be affected.

6. *General Foulkes* said that it was quite unreasonable, in military terms, to expect that NATO could meet an attack in Europe with conventional weapons. General Grunther had shown long ago that he would need 30 more divisions in Europe if he was to be prepared to fight with conventional weapons, and there had been no evidence that countries would, or could, provide these extra divisions. There was a good deal of confusion about the plans to use nuclear weapons in case of attack. It was not, of course, intended to engage in massive retaliation against local infiltrations, but it was intended to reorganize the structure of NATO divisions in Europe along the lines appropriate for the use of tactical nuclear weapons. Such a reorganization was essential if present and planned strengths of forces were to be adequate on the ground, and no country, not even the United States, could afford to maintain old type artillery and other support units alongside forces with tactical nuclear weapons and a strategic retaliatory capability. The statement in paragraph 5 of ED 16-56(R) that governments should decide in the event whether nuclear or conventional weapons would be used in meeting an attack would also be unacceptable to the military, who could not, with their present or foreseen resources, keep both types of defence ready. There would also be an unacceptable loss of time after the attack if all governments had to be consulted. The United States would certainly regard this suggestion as unrealistic.

7. The concern among European members of NATO about the use of nuclear weapons was largely due to their worry that a revolt in East Germany, for instance, might create such a demand for action in the Federal Republic that fighting across the border would take place. The Europeans feared that if nuclear weapons were used in such an eventuality, World War III would be precipitated. It would have been more helpful if the political directive had attempted to deal with the German problem in a concrete way, instead of making general suggestions. For instance, it was worth considering that the eastern borders of the Federal Republic should be defended by German forces which would deal with any local fighting. NATO troops would then not become involved unless and until the German forces had established that the fighting actually amounted to a wholesale Soviet aggression.

8. *Mr. Miller* commented that the Draft Political Directive seemed to have been written without adequate military advice.

9. *Mr. Ignatieff* said that the directive came about as a result of the initiative of the Germans, who were concerned about preventing a nuclear war from taking place on German territory. When they failed to get the problem discussed in NATO in the past summer, the Germans had raised it in the Western European Union Council of Ministers, where they had obtained considerable support. The Germans, and other Europeans also, were worried that the NATO strategy was going to result in a gradual weeding out of conventional forces in Europe and in their replacement by forces with nuclear weapons which would have to be used even in small wars. They felt that if this course was going to be followed, then the European forces should at least be armed with nuclear weapons also.

10. The Panel, after further discussion, agreed that the following action should be taken:

(a) that the Permanent Representative of Canada to the North Atlantic Council should be told that the present draft of the Political Directive seemed an adequate basis for discussion, but that Canada could not comment on it until it had been reviewed by Ministers;[55]

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[55] Pour prendre connaissance du document d'information envoyé ultérieurement aux ministres à cet égard, voir le document 574.
For the subsequent brief to ministers on this subject, see Document 574.

5^e PARTIE/PART 5

RÉUNION MINISTÉRIELLE DU CONSEIL DE L'ATLANTIQUE NORD, PARIS, 11-14 DÉCEMBRE 1956

MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL, PARIS, DECEMBER 11-14, 1956

571. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], November 28, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage).

The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

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N.A.T.O. MINISTERIAL MEETING, DECEMBER, 1956

5. *The Secretary of State for External Affairs* reported on the forthcoming N.A.T.O. ministerial meeting at Paris, beginning December 11th. This was the regular meeting but it promised to be a very important one. It had been thought that the United States Secretary of State would be unable to attend but Mr. Dulles had made a rapid recovery and was now expected to go.[56] Three main subjects would be dealt with, — the report of the Committee of Three on non-military co-operation in the organization,[57] a review of the world situation, and a military review.[58]

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[56] Le 22 novembre 1956, M. Dulles s'est fait opérer d'un cancer à l'estomac.
Dulles underwent surgery for stomach cancer on November 22, 1956.

[57] Pour prendre connaissance des travaux du Comité des Trois sur la coopération non militaire, voir la 3^e partie ci-dessus.
On the work of the Committee of Three on Non-Military Cooperation, see Part 3 above.

[58] Pour en savoir davantage sur la réévaluation de la stratégie militaire de l'OTAN, voir la 4^e partie ci-dessus.
On the reappraisal of NATO's military strategy, see Part 4 above.

The Committee of Three report had been re-written in the last three weeks in the light of the present international situation. All of the items discussed previously were there but put into a stronger form. Increased political consultation was urged and it was pointed out that co-operation between N.A.T.O. governments had deteriorated since the committee began its task. Important initiatives had been taken by members without prior consultation and unity had been strained. All of these divergencies, if not remedied, might cause the break up of the organization. Certain new procedures were recommended but no actual change in the organization.

The report was negative on the economic side as it was felt that the organization should not get into this field except through consultation on economic matters of political concern. On the whole, the report was not of outstanding significance but the political introduction was very realistic.

The political directive to be given to the military planners of N.A.T.O. could not be discussed and decided on at the present time because it was not yet ready. There would be the usual review of the military programmes and this year some harsh things were apt to be said.

6. *Mr. Pearson* added that the meeting would last four days and far reaching conclusions might emerge. There would also be the appointment of a new secretary-general. Other finance and defence ministers would be there and he hoped both Mr. Harris and Mr. Campney would be able to go over with him.

7. *During the discussion* the following observations were made:

(a) Unless the United Kingdom changed its mind, it was likely to announce drastic reductions in the British element of the N.A.T.O. forces. A great deal of the U.K. force had already been taken away, on the understanding that they would be sent back when the Middle East disturbances were over, but it did not look as if this would now be done.

(b) Suggestions had been made to postpone this meeting in view of the unfavourable political atmosphere and the expectation of wrangling. However, there were many reasons why this should not be done. It might be said that N.A.T.O. was afraid to meet. Mr. Dulles was to be there and his presence could lead to a better understanding between the major allies.

8. *The Cabinet* noted the report of the Secretary of State for External Affairs on matters to be discussed at the forthcoming ministerial meeting of the North Atlantic Treaty Organization.

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572. DEA/50102-P-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM DLDL-581 Ottawa, December 1, 1956

SECRET. IMMEDIATE.

Repeat Candel New York, NATO Delegation Paris (Routine) (Information).

NATO MINISTERIAL MEETING: MESSAGE TO MR. DULLES

I am anxious that any move towards healing the breach in the Alliance and especially in relations between the USA and UK, which may be started if agreement is reached on troop withdrawals, should be followed up at the forthcoming NATO Ministerial meeting. This meeting may provide a most timely opportunity to repair the Alliance as quickly and as thoroughly as possible.

2. How much will actually be accomplished will depend largely on the attitude adopted by the USA at this meeting. In the present exacerbated state of feelings in London and Paris and among European members generally recriminations would of course do nothing but harm. What seems to be essential is to try to map out a programme of action which may lead to agreement on essential lines of policy in the Middle East and in relation to developments in Eastern Europe.

3. Now that it appears that Mr. Dulles is planning to attend the meeting himself, I thought that it might help if I addressed a personal message to him setting out some views on how the discussion on the international situation might be directed to this end. I realize that there will be no shortage of advice from various quarters to Mr. Dulles but if you think my message may be well received by the Secretary, I should be glad if you would let him have it, preferably personally or through Mr. Hoover, accompanying it with the expression of my sincere pleasure at his speedy recovery and the prospect of seeing and talking with him in Paris.

L.B. PEARSON

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573. DEA/50102-P-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM DLDL-582 Ottawa, December 1, 1956

SECRET. IMMEDIATE.

Reference: My Tel DLDL-581 Dec 1/56.
Repeat Candel New York (Routine), NATO Delegation Paris (Immediate) (Information).

NATO MINISTERIAL MEETING: MESSAGE TO MR. DULLES

Following is text of message to Mr. Dulles: Begins:

Dear Foster,

I was delighted to learn that you are planning to attend the Ministerial Council meeting in Paris beginning December 11, not only because this confirms the good news we have been receiving that your recovery has been maintained, but also because it means that the prospects of constructive accomplishments at the meeting will undoubtedly be enhanced by the fact that you will be taking part in our discussions.

2. This meeting should provide a timely and very welcome opportunity to repair the Alliance as quickly and as thoroughly as possible after recent and unhappy experience, and to review in the light of those experiences the impact of developments on NATO's periphery on the common interests of the Alliance. I have been thinking, as I am sure you and others have, of how best to go about trying to achieve this aim, now more necessary than

ever. I was glad to learn of the suggestion which I believe came from you that as the first item of substantive business, the Council should go into restricted session to discuss the international situation. I would hope, however, that this discussion would lead, as the Committee of Three suggested in their letter of transmittal of their report to "measures to overcome the grave situation which has arisen affecting the solidarity and security of the Alliance".

3. At the moment the most disruptive single element affecting this solidarity and security is the divergence over policy in the Middle East. I am certainly not optimistic enough to hope that the Council will in the time available to us be able to agree on any new or detailed proposals or plans. I earnestly hope, however, that we can make a start in trying to harmonize our policies as members of NATO with the gradual progress towards settlements in the General Assembly.

4. For instance, assuming, as I hope we can, that between now and the Council meeting the UK and French governments will have withdrawn most if not all of their troops from Egypt, the Council might try to secure agreement which could be reflected in the final communiqué on (a) NATO endorsement of the six principles agreed upon by the Security Council on October 13 on the Suez Canal as a basis for the resumption of negotiations between the parties concerned; (b) NATO active support for effective and speedy United Nations efforts to work out a lasting political settlement for the Middle East area; (c) a forthright expression of NATO concern at Soviet penetration in the Middle East and the consideration of remedies to halt it. There are naturally other problems in the Atlantic community, such as Cyprus, French relationships with North Africa, etc. for which solutions are overdue and on which discussion no doubt may develop. I think that at this meeting we should not avoid the frankest possible discussion on any matters brought up which, though technically outside the NATO area, have a direct influence and effect on NATO's policies and indeed on its future.

5. If, however, the Council's main discussion on the Middle East could be focused on some positive, even if limited objectives such as I have mentioned, it would serve not only to lay the foundations for agreement on common policy within the Alliance on the Middle East but also to improve atmosphere for subsequent talks in the United Nations; and as you know this needs improvement. It could also have the effect of being useful in the talks with Mr. Nehru in Washington and Ottawa, which will come immediately after our NATO meetings.

6. The other subject which will of course be foremost in the minds of all delegations and on which common policies need to be developed is the Soviet action in Eastern Europe, particularly its use of force in Hungary. You will agree, I am sure, that we must have a thorough common exchange of views on this and try to reach some conclusions, even if they are only tentative, on the implications for NATO of the developments in Eastern Europe in terms of our common interests in relations to the USSR.

7. As the Committee of Three reports certain specific measures to improve and strengthen consultation and the means of doing it, I would hope that its proposals might be related in a practical way to the discussion of the Foreign Ministers on the international situation. I do not think in the present situation it would be sufficient to limit ourselves to a mere exchange of views. What I would hope we could do is to agree on a number of specific fields in which NATO, both through the Permanent Council and the diplomatic channel, should strive to achieve common policies by the kind of full and continuing consultation based on common interests envisaged in the report. Thus the fields which I believe should be given highest priority are the Middle East, the relation of NATO

members with the USSR in the light of developments in Eastern Europe, and possibly the problem of German reunification, if consultation on this subject is desired by the German Federal Republic. If we could agree on a number of topics such as these on which we can map out a programme of consultation in NATO between now and the meeting of Foreign Ministers next spring, I would hope that this might be reflected in the final communiqué as evidence of resumed consultation on a more effective basis between the Allies.

8. I am looking forward to having a chance of having a personal talk with you about these problems in Paris, and — perhaps even more important — to congratulate you on your remarkably speedy return to health. Kindest personal regards. L.B. Pearson.

Text ends.

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574. DEA/50102-P-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, December 3, 1956

NATO DECEMBER MINISTERIAL MEETING — SUBMISSION TO MINISTERS CONCERNED

The Panel on the Economic Aspects of Defence Questions considered last week the various matters which will be discussed at the coming NATO ministerial meeting, and agreed that a submission prepared on the basis of its consideration of these subjects, should be presented to the Ministers concerned with NATO. Attached for your consideration is a copy of this submission. You will note that its recommendation is that the Canadian Delegation to the 1956 December ministerial meeting of NATO be authorized

(a) "to approve the report of the Committee of Three and the recommendations contained in it.

(b) to participate in the formulation of a political and economic directive to the NATO military authorities having in mind the observations made in paragraphs 10 and 11 above.

(c) to approve the general report on the 1956 Annual Review, and to approve the defence planning recommended on the basis of MC 48 and MC 48/1 for the year 1957, with the reservations mentioned in paragraph 18.

(d) to consider, and if appropriate, to approve the report of the Secretary-General for 1956 on the activities of the North Atlantic Treaty Organization."

2. I should also like to draw your attention to paragraphs 10 and 11 which contain the views of the Panel on the present attempt by the Council to draft a political directive for the guidance of the NATO military authorities. These comments refer to the latest draft of the political directive prepared by the Permanent Council, and contained in telegram No. 3080 of November 28th from NATO Paris, copy of which is attached.[59]

3. The original intention was to have this submission presented to the Cabinet Defence Committee. However, Mr. Bryce felt that since it was unlikely the Cabinet Defence Committee would meet before the NATO meetings, the submission should be addressed directly

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[59] Voir/See Document 569.

to the four Ministers concerned. Each Department with representatives at the NATO meetings is therefore taking steps to bring this submission to the attention of its Minister.

4. More detailed briefs† prepared interdepartmentally will be available on the items discussed in this submission, and on those which might possibly be raised at the meetings.

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

Note du Comité sur les aspects économiques des questions de la défense
pour le ministre de la Production pour la défense,
le secrétaire d'État aux Affaires extérieures,
le ministre de la Défense nationale et le ministre des Finances

Memorandum from Panel on Economic Aspects of Defence Questions
to Minister of Defence Production,
Secretary of State for External Affairs,
Minister of National Defence and Minister of Finance

SUBMISSION ED-15-56 [Ottawa], December 1, 1956

SECRET

NATO DECEMBER MINISTERIAL MEETING — 1956

The North Atlantic Treaty Organization will be holding in Paris from Tuesday, December 11th to Saturday, December 15th, its regular annual Ministerial Meeting attended by Ministers of Foreign Affairs, Defence and Finance. The Canadian Delegation will consist of the Secretary of State for External Affairs, the Minister of National Defence, the Minister of Finance and the Canadian Permanent Representative to NATO. Its provisional agenda, a copy† of which is attached, includes the following items:

1. Report of the Committee of Three.
2. NATO Defence Effort: Political Directive to the NATO military authorities.
3. 1956 Annual Review.
4. The Report of the Secretary-General.

Report of the Committee of Three

2. Ministers will be confronted at their December meeting with the grave consequences to NATO of the deterioration in Western cooperation (and probably in the economic situation and in economic relations) resulting from events in the Middle East and from the serious divergencies between NATO members over policy in that situation. This deterioration, moreover, has taken place at a time when the Soviet Union both in respect of its policies in Eastern Europe and its threatening attitude on Middle East problems has served to increase international tensions.

3. The Committee of Three Report which has been circulated under separate cover together with a letter of transmittal points up the serious political problems confronting the Alliance and recommends that they should be discussed in the light of the recommendations in the report. These recommendations place first emphasis on the need to strengthen political and economic consultation in NATO or elsewhere for the benefit of NATO, and suggest the means of doing so. They are generally consistent with the Canadian reply to the Committee's questionnaire, the main lines of which Cabinet approved at the time.

4. The Council will be asked to adopt a general implementing resolution as well as a specific resolution intended to facilitate the settlement of inter-member disputes within the NATO framework.

NATO Defence Effort: Political Directive to the NATO Military Authorities

5. Under this item Ministers will be concerned with the formulation of a political directive to guide the NATO military authorities in their planning. Recognition of the need for a NATO reappraisal grew out of uneasiness in NATO circles resulting from reports to the effect that the United Kingdom was contemplating a reappraisal of its own defence policy which could have the result of reducing the strength of U.K. forces stationed on the Continent. The first formal initiative was taken by Canada with a proposal made in the Council on July 25th outlining the form which the reappraisal might take and the procedures which might be followed. The Canadian proposal was accepted.

6. While it was evident that the United Kingdom Government and some of the European members hoped that the improved international situation as seen earlier this year would permit a reappraisal leading to a reduction of existing force goals, several developments, political and economic, have intervened however to change the trend of thinking in the reassessment of the NATO defence effort. Particularly the previous relaxation of international tensions has given place to the use and threat of force by the Soviet Union in Poland and Hungary. Developments in the Middle East have led to a withdrawal of forces from the NATO area by the United Kingdom and France. The effect of Middle East developments upon the economic prospects of European members of NATO will also certainly influence their military programmes. These factors have been taken into account in an up-to-date comprehensive survey of the threat to the NATO area including an examination of the short and long term trends of Soviet policy, which according to the Canadian proposal was an essential preliminary stage in drafting the directive.

7. It was the intention to prepare on the basis of the conclusions of this survey a political directive which would provide the NATO military authorities with as clear a statement as can be formulated of Soviet intentions and of the political and economic considerations which should guide NATO defence planning.

8. This directive is not intended to affect force goals of member governments for 1957, nor the military recommendations made as a result of this year's Annual Review. It is important to member governments which are anxious to make definite plans for their 1957 defence budgets, that the Council approve at the December meetings the force goals and other contributions expected from them for the continued implementation of MC 48 and MC 48/1. These documents remain the latest basic policy papers on strategic planning of NATO, and will remain valid until the military authorities have had an opportunity to review their entire strategy and defence planning in the light of the new political directive which it will receive from the Council.

9. Canadian participation in the present military reappraisal and Canadian approval of the directive therefore is not expected to require changes in Canadian defence programmes for the calendar year 1957 (roughly corresponding to Canada's fiscal year 1957-58). If in dealing with the strengthening of the defensive shield in Europe, the directive limits itself to calling upon member governments who have not yet fulfilled their present commitments, to bring their force contributions up to previously agreed levels and standards, and to maintain them there, the reappraisal would not be expected to involve a change in Canadian policy in respect of contribution to NATO forces, except insofar as European member governments might request assistance in terms of mutual aid to enable them to bring their present and planned agreed force commitments up to NATO standards. However, the direc-

tive may, in order to increase the sense of confidence of its European members, call for the continued stationing in Europe of Canadian, U.S. and U.K. forces at presently agreed levels.

10. A principal issue which is expected to be raised in the directive, however, is that the ground forces required for an effective shield should have the capability to deal with limited armed attacks without recourse to nuclear weapons in order to reduce NATO defence on nuclear weapons, tactical as well as strategic, in dealing with various possible forms of armed attack on the NATO area. This proposed requirement would be in addition to the capability to hold an identified Soviet all-out aggression until strategic nuclear air counter-offensive becomes effective. If this proposal were written into the directive, such a political requirement would, in accordance with SACEUR's views involve not only maintaining existing NATO conventional force commitments, but in addition developing a further requirement for tactical atomic weapons.

11. The Panel considers that this suggestion that NATO forces, required for an effective shield, should have the capability to deal with limited attack without recourse to nuclear weapons and, should a situation so require, also be prepared to respond quickly with nuclear weapons to any type of aggression, appears to be well beyond the economic capabilities of the Atlantic Alliance as reflected in the general Chapter of the Annual Review report. The Panel wishes also to point out that the present draft political directive represents a compromise between divergent views about the intentions and objectives of the Soviet Union in Europe and in certain areas contiguous to the NATO area at a time when these Soviet methods are still being revised and modified. It is therefore unlikely that a political directive in this form would be acceptable to all the Ministers without further clarification of its implications as well as discussion.

1956 Annual Review Report

12. While some of the preparatory work in NATO reappraisal has been done this year, there have as yet been no final decisions reached, and the Annual Review, of necessity, has had to be predicated on previous assumptions regarding the threat and the military requirements to meet it. In the light of this situation, the 1956 Annual Review has been directed toward three main objectives:

(a) The evaluation of current forces, as the essential point of departure both for fixing firm goals for 1957 and for subsequent implementation of any new strategic concept.

(b) The identification of problems which have special importance this year.

(c) The indication of limited but practical improvements which can be worked into each country's defence programme over the period 1957-59 and which may be expected to retain their validity whatever changes in strategy may later be decided.

13. The review has shown that for the alliance as a whole the ground, sea and air forces now available are inadequate to accomplish their assigned missions. Owing principally to withdrawals of forces from Europe, there has been a marked decrease during 1956 in the number of Army M-Day units. Naval forces have not yet attained the required levels; nor have the airforces, despite considerable progress in re-equipment during the year. The question of naval replacement is becoming increasingly serious, and lack of qualified personnel is reducing the effectiveness of naval forces. The majority of the air forces in Europe still fall below the desired standards of readiness. Few countries maintain more than 50 percent of assigned aircraft in a combat ready status. Large reductions are envisaged in maritime aircraft, with no improvement foreseen before 1960. It also appears unlikely that there will be significant contribution from Germany before the end of 1959.

There has, however, been a considerable improvement in the atomic capability of ground and air forces in Europe.

14. Three special problems pointed up in the 1956 Annual Review are the following:

1. The general weakness of an effective European Air Defence System.
2. The severe shortages of service technicians in all countries.
3. The replacement and modernization of equipment.

15. The military recommendations, made in the light of Council's recognition that "at present many member countries do not consider it practicable to make substantial increases in the current level of expenditure on their forces", pay special attention to priorities. The recommendations have not yet been costed and it is recognized that in view of non-military implications (and the uncertain economic prospects of many European members as a result of developments in the Middle East) a flexible approach to the solution of each country's problems is essential.

16. In the Country Chapter on Canada the International Staff has made the following recommendations to Canada:

The Canadian Government should:

(a) At least maintain the present level of mutual aid with increasing emphasis on deliveries of equipment as expenditures on the NATO air training scheme decline.

(b) Should, as far as possible, develop long term plans relating Canadian aid with a view of the provision of modern equipment needed to maintain the effectiveness of NATO defence.

(c) Should take action to implement the recommendations of the NATO Military authorities.

17. These military recommendations to Canada are as follows:

(1) Arrange for the holding in Europe of the 60 days' war reserve of the balance of the First Canadian Infantry Division.

(2) Maintain the 70% combat ready serviceability of AWX aircraft.

(3) Provide the mobile logistic support force commensurate with the initial deployment of earmarked naval forces in the Eastern Atlantic Area and complete arrangements to ensure the availability of non-common-user stores for those forces.

(4) Arrange to store in Continental Europe the complete 90 days reserves for the Canadian Infantry Brigade Group in Continental Europe.

18. It is suggested that the Minister of National Defence might comment on the military recommendations as follows:

"The first recommendation refers to the holding in Europe of 60-day reserves of the balance of the First Canadian Infantry Division. It is noted that in SACEUR's latest report on the Force Posture Allied Command Europe 1960-62, the forces outside Europe are shown as earmarked for use in Allied Command Europe as a strategical reserve. This new role as a strategical reserve, indicates that the question of the holding of war reserves in Europe for this force should be reviewed. In view of this suggested change in role and in order to complete Canadian planning, a study is being carried out of the shipping required to move the 2/3 Division, its equipment and its 60-day war reserves direct from Canada to Europe shortly after M-Day.

With regard to the recommendation to maintain the 70% combat ready serviceability of our All-Weather Aircraft, Canada is hesitant to accept this standard of readiness for the CF100 until experience has been gained in the operation of this aircraft in the European theatre. If, however, experience proves that the 70% standard is a realistic figure Canada will, of course, do everything possible to achieve this standard of combat readiness.

In the light of SACLANT's report on the Pattern of Naval Forces for NATO Control in the Atlantic during the next decade Canada has some doubts regarding the initial deployment of Canadian Naval Forces in the Eastern Atlantic area. Canada does not possess mobile logistic support; however, consideration is being given to the provision of mobile logistic forces in being to support RCN forces operating in the Eastern Atlantic, and in the Canadian Atlantic Sub-Area. A bilateral arrangement to ensure the availability of common-user stores has been arranged with the United States Navy, and a similar agreement is being arranged with the British Admiralty. These arrangements include the allocation of storage space for non-common-user items which will not be stocked outside of Canada prior to the outbreak of hostilities.

With regard to the fourth recommendation concerning the arrangement to store in Continental Europe the complete 90 days reserves for the Canadian Infantry Brigade Group, negotiations are being conducted for storing in Continental Europe the 90 days reserves for the Brigade Group. In particular, arrangements are now under way to bring the reserves of items which are only Canadian requirements, up to 90 days. Progress depends on the availability of storage space. However, in view of the concept expressed in SACEUR's report on Force Posture Allied Command Europe 1960/62 that major organized land fighting will not exceed 30 days, the question of holding 90 days reserves for the Canadian Infantry Brigade Group will have to be reviewed". (an appropriate paragraph concerning Canada's mutual aid programme for 1957-58 will be added later to this proposed statement).

19. In the General Chapter the International Staff point up two main conclusions: First, that solutions to many of the major NATO defence problems, particularly those relating to modernization of forces, depend on the outcome of the Council's reappraisal of Soviet policy and the Alliance's military and economic capabilities; second, that much can and should be done within the framework of current defence plans. Although limited in scope the 1956 Review has been more than a stocktaking. Firm force goals have been established for *most* countries and priorities indicated.

Report by the Secretary-General for 1956

20. Under this fourth item, the Ministers will be asked to approve the Annual Report of the Secretary-General for the year 1956. Although the report has not yet been published, it is expected that the Secretary-General's report will consist chiefly of a factual account of the activities of the Organization during 1956. If this is the case, its approval should be, as in past years a formality.

Recommendations

21. In the light of the above considerations, the Panel on the economic aspects of defence questions recommends to the Cabinet Defence Committee that the Canadian Delegation to the 1956 December Ministerial Meeting of the North Atlantic Treaty Organization be authorized:

(a) to approve the report of the Committee of Three and the recommendations contained in it.

(b) to participate in the formulation of a political and economic directive to the NATO military authorities having in mind the observations made in paragraphs 10 and 11 above.

(c) to approve the general report on the 1956 Annual Review, and to approve the defence planning recommended on the basis of MC 48 and MC 48/1 for the year 1957, with the reservations mentioned in paragraph 18.

(d) to consider, and if appropriate, to approve the report of the Secretary-General for 1956 on the activities of the North Atlantic Treaty Organization.

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575. DEA/50102-P-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 2246 Washington, December 7, 1956

CONFIDENTIAL. IMMEDIATE.
Reference: Your Tel DLDL-582 Dec 1 — Personal Msg to Mr. Dulles.
Repeat Paris, NATO Paris (Information).

NATO MINISTERIAL MEETING

I am repeating in the immediately following paragraph the text of the Secretary of State's reply of December 6 to your personal message (your telegram under reference).

2. Dear Mike: Thank you very much for your letter of December 1. I greatly appreciate your good wishes and your thoughts on the forthcoming NATO meeting in Paris. I understand that you are on the verge of leaving for Paris and I look forward to discussing with you there the questions raised in your letter. With kindest personal regards, sincerely yours, (signed) Foster.

3. In a subsequent message I shall add a number of comments which we received orally at the State Department yesterday afternoon, December 6. Mr. Dulles will hope to have a chat with you on these matters in Paris on Monday, December 10. Our delegation might get in touch with Elbrick (or Timmons) of the USA delegation to fix a time.

[A.D.P.] HEENEY

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576. DEA/50102-P-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 2248 Washington, December 7, 1956

SECRET. IMMEDIATE.
Reference: Our Tel 2246 Dec 7.
Repeat London, Paris, NATO Paris (Information).

NATO MINISTERIAL MEETING

Elbrick handed to me yesterday afternoon, December 6, the Secretary of State's reply to your message. The text is contained my telegram 2246. Elbrick had gone over your message with Mr. Dulles and he gave us an indication of the Secretary's preliminary views on how the Ministers' meeting might be expected to develop.

2. Mr. Dulles looks forward to a full and free discussion in the "review of the international situation". This should certainly be frank and cover the major problems confronting members of the Alliance. At the same time care will have to be taken in the *public* presentation of the Council's deliberations, and in the preparation of the final communiqué, not to give the impression that NATO as such is now directing its attentions to the Middle East, or contemplating NATO initiatives in this area. All members of NATO have a legitimate and lively concern in the Middle East crisis currently before the UN; but we must avoid the impression that we have any desire to extend NATO's sphere of activity; or to act as a "bloc". All this was not to say that the Secretary disagreed with the suggestions in paragraph 4 of your letter. It was simply a caveat regarding public presentation.

3. Elbrick indicated that, with Mr. Dulles absent from Washington, the kind of detailed preparation and consultation with him that normally preceded Council sessions had not been practicable in recent weeks. Nor has it been possible for the Secretary to discuss the agenda with the Secretaries of Defense and Treasury. For this reason Mr. Dulles would expect to have meetings in Paris with his own colleagues on Monday, December 10. But he expected also to arrange for direct discussions with the UK and French Foreign Ministers, and also of course with you, before the opening of the session on Tuesday, December 11.

4. One thought which Dulles may develop in his conversations with you is that consultation within NATO on certain subjects may profitably proceed on a bilateral basis. For example, in the matter of "support" costs (and with the present financial difficulties of the UK government in mind) he may wish to deal directly with the UK representatives rather than to inject so sensitive a topic into the Council itself. Such bilateral conversations would be a first step toward subsequent discussion in the Council.

5. We had a subsequent word with Timmons about the draft political directive. The unagreed points have been greatly reduced. Since this matter is still under active discussion in Paris. I do not think we need to elaborate on USA views, which were to be expressed in the Council at yesterday's meeting, December 6. Their main preoccupation is to see to it that there is an adequate reference in the directive to the need for avoiding jeopardizing the security of the NATO area through the withdrawal of forces for other purposes.

6. I am sending you a separate message† about USA views on the Secretary-Generalship.

[A.D.P.] HEENEY

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577. DEA/50102-P-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 2016 Paris, December 12, 1956

CONFIDENTIAL

Repeat London, Washington (Information).

NATO MINISTERIAL MEETING — RESTRICTED SESSION ON INTERNATIONAL SITUATION

General statements were given on December 11 by Norway, USA, UK, France, Belgium, Greece, Denmark, Netherlands, Portugal and Turkey.

2. Norway, USA, Belgium, Denmark and Netherlands spoke with varying degrees of forcefulness about UK-French action in Egypt, using such words as "shocking", "blow", "surprise" and "disappointment". Dulles spoke at some length on the importance of moral pressures UK and France undertook to justify their actions. If there was a common theme, it was that nothing would be gained by recriminations about the past and that we must look to the future.

3. There was no real discussion, but rather a series of set speeches establishing the points of special interest to the country concerned. Despite the supposed secrecy of the proceedings, the major statements are well covered in the press.

4. The Chairman ended the meeting to avoid having to decide whether that was the proper time for an argument between the Greek and Turkish Foreign Ministers over Cyprus. Restricted session continues on December 12.

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578. DEA/50102-P-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 2020 Paris, December 13, 1956

SECRET. IMPORTANT.
Reference: Our Tel 2016 Dec 12.
Repeat London, Washington (Information).

NATO MINISTERIAL MEETING — SECOND RESTRICTED SESSION ON INTERNATIONAL SITUATION, DEC 12

1. The second round of this discussion began inauspiciously with a wrangle on familiar lines between Greece and Turkey over Cyprus. When the Chairman suggested application of the Committee of Three report settlement procedures, Selwyn Lloyd said that while he had no objection to discussing Cyprus in NATO, any further negotiations should await Lord Radcliffe's proposals for self-government. In any case, as the Greek Foreign Minister pointed out, Cyprus was already on the UN Assembly agenda.

2. As the dialogue between Menderes and Averoff seemed likely to be interminable, I reminded the Council that if as much leaked out of the present discussion as had done of the previous day's, the public would inevitably gain the impression that NATO members were persisting in their divergencies on Cyprus as they were on the Middle East. This gave Selwyn Lloyd the cue to make a restrained and effective appeal for agreement on some of the "loose ends" of Middle East policy. He suggested consideration of a UN controlled demilitarized zone between Israel and Egypt, assumption of responsibility by the UN for the Gaza Strip, and possible extension of UN functions to cover all Israeli frontiers.

3. I then made a statement developing some of our ideas of possible objectives in Middle East policy, suggesting that an effort be made to seek common ground on the Middle East

between the powers most directly concerned with a view to harmonizing these policies in the UN, which must retain primary responsibility for working out solutions.

4. Pineau followed up with a constructive intervention suggesting negotiations on the Suez Canal and on a settlement of Arab-Israeli relations in the UN through small committees, but with preparatory consultations between the powers most directly concerned.

5. Dulles, who seems to be holding back from entering into any discussions on Middle East with the British and French pending the Nehru visit, questioned the priority of the Council discussing the Middle East as a non-NATO area even before the Committee of Three report had been adopted. In any case he said that he had not brought any Middle East experts among his, as usual, large retinue of officials. He also quoted from the record of the Senate Foreign Relations Committee on the ratification of the Treaty about the Senate's reservations concerning a NATO bloc in international organizations.

6. Spaak and Lange, however, took up the line of argument I had suggested urging the need to work out agreement on objectives of Middle East policy if divergencies in the allies were to be overcome. Lange also pointed out that it was not proposed that the Council should enter into the details of Middle East solutions, but that the Council should surely concern itself with the general objectives on which members might try to concert policies. They also agreed that any agreement reached on objectives should be reflected in the communiqué.

7. After Luns had suggested postponement of further discussion in restricted session to take up the Committee of Three report and thus remove another procedural obstacle raised by Dulles, Martino tried to sum up the discussion but Dulles wanted to see his summary in writing before agreeing to it.

8. Discussion on the international situation in restricted session will be continued December 13. Brentano is to lead off a consideration of European policy.

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579. DEA/50102-P-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 2023 Paris, December 13, 1956

CONFIDENTIAL. IMPORTANT.
Reference: Our Tel 2024 Dec 13.†

MINISTERIAL MEETING — ITEM IV, NATO DEFENCE EFFORT — POLITICAL DIRECTIVE

Ministers also disposed on decode of Item IV, Political Directive, Document C-.(56)138. There were no comments on Part I, analysis of Soviet intentions. A number of drafting points were raised in connection with Part II — the directive but little discussion of substance took place. Return party will bring text approved by Council.

2. Discussion was opened with briefing by General Johnson on behalf of Standing Group. Briefing as similar to that given to Military Committee last week, and earlier to Permanent Council. General Norstad spoke to stress NATO's lack of good intelligence and

its dependence on national contributions. (All governments?) were invited to assist in this field.

3. Three main points emerged from discussion under Item IV:

(a) Nothing should be said or done which might lead Soviet leaders to think that nuclear retaliation might not be used in case of aggression by conventional forces.

(b) Importance of assurance that USA, Canadian and UK forces will continue to be stationed in Europe, and

(c) A clear warning by Macmillan that, unless there were arrangements to eliminate "inequities" in defence contributions, (UK government?) could not go on assuming responsibility for defence costs requiring payments in foreign exchange, e.g. German currency for support costs.

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580. DEA/50102-P-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 2028 Paris, December 14, 1956

SECRET. IMPORTANT.
Reference: Our Tel 2020 Dec 12.
Repeat London, Washington (Information).

INTERNATIONAL SITUATION — THIRD RESTRICTED SESSION, DEC 13

1. In view of the leaks of partial info to the press (particularly from the USA delegation), it was agreed that the NATO press officer would give full briefings on Council discussions.

2. Brentano, in putting forward his interpretation of recent developments in Eastern Europe, made the following points:

(a) He was inclined to share with the USA a more serious view of the implications rather than the more optimistic UK view;

(b) That totalitarian systems when faced with internal troubles are apt to have recourse to external actions to overcome their difficulties;

(c) Vital importance for the West to be united in facing these new dangers;

(d) Importance for NATO to have the necessary military strength to achieve a forward strategy;

(e) NATO should have the capability of dealing with limited military attack and not be entirely dependent on nuclear weapons, since Germany might well be the theatre of operations;

(f) That the evolutionary process towards freedom should be allowed to develop in the satellites, and that they should not be encouraged to rebel;

(g) That Germany will not be seduced by any apparently favourable developments in relations between Germany and the USSR, and that the allies would be consulted;

(h) That Western Germany would exercise moderating influence in Eastern zone, but that the turmoil was full of danger for Germany, and that they were watching particularly whether Gomulka would be able to consolidate his position in Poland;

(i) That Germany would watch for any opportunity for diplomatic action in pursuit of reunification; that they do not expect results shortly but would keep in close touch with their allies.

3. Concluding, Brentano said that the people of Eastern Europe had the right to know the position of the West in relation to their struggle for freedom. He therefore proposed that the Council should adopt a joint declaration containing following points:

(i) All peace-loving peoples shall support the right of the nations of Eastern Europe to self-determination and self-government in full freedom.

(ii) The political order in the countries of Eastern Europe shall be based on national independence, sovereignty and the banning of any imperialistic subjugation of small nations.

(iii) All nations in Eastern Europe shall have the right to decide themselves and in full freedom on the social order in their territories.

(iv) The internal development of the countries of Eastern Europe shall not be influenced by military force or threats or by economic and political pressure.

(v) The human rights of the population of the countries of Eastern Europe shall be inviolable.

(vi) The General Assembly of the UN shall ensure the observance of these obligations.

4. The Minister, recalling that the UN Assembly was discussing Hungary, questioned the propriety of asking the UN Assembly to ensure the observance of these obligations. He said that Brentano's important statement required careful study. Mr. Dulles said that while he was sympathetic to the idea of the declaration, he agreed with Mr. Pearson on the point about the UN. He suggested that appropriate mention might be made of Brentano's six points in the communiqué.[60]

5. This concluded the discussion on the international situation.

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581. DEA/50102-P-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 3191 Paris, December 14, 1956

SECRET. IMPORTANT.

MINISTERIAL MEETING — ITEM V — PRESENT STATUS OF THE NATO MILITARY EFFORT

Following is the text of Mr. Campney's statement made under Item V of the agenda contained in CA(56)68: Text begins:

"I would like to make a brief statement regarding the Canadian position as reflected in the Annual Review presently under discussion.

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[60] Voir Conseil de l'Atlantique Nord, *Textes des communiqués finals, 1949-1974*, Bruxelles: Service de l'information OTAN, s.d., pp. 105-109.
See North Atlantic Council, *Texts of Final Communiqués, 1949-1974*, Brussels: NATO Information Service, n.d., pp. 101-104.

The main recommendations so far as Canada is concerned deal with the problem of logistic support for our ground forces and for the ships which will be made available to SACLANT. These matters have already been given very careful consideration and I am able to say that we will meet the requirement of providing 30 days logistic support.

In regard to support beyond 30 days, because of the statements made in SACEUR's latest report on Force Posture we consider that the question of reserves beyond 30 days, particularly the stockpiling of equipment for forces of the strategical reserve, should be reconsidered.

As mentioned in the political directive, which was discussed in Council yesterday, the Canadian Government intends for the present to maintain Canadian forces in Europe. I might point out in that connection that when some weeks ago Canada decided to earmark up to 2,500 troops for service in the UN emergency force for police duty in the Middle East, they were designated from troops within Canada and without disturbing our existing forces in Europe.

With respect to Canadian mutual aid from its commencement up to the end of the Canadian fiscal year 1956-57, the total contribution made by Canada to the North Atlantic Treaty Organization by way of mutual aid is approximately 1 billion 400 million dollars. Of this total, over one billion consists of equipment and material transferred from Canadian production and service stocks, including $318,000,000 in aircraft, engines, and space parts. Expenditures on NATO aircrew training during the same period will be about $380,000,000.

During the next fiscal year, expenditures on NATO aircrew training, although still substantial, will be less than they have been in recent years as the number of trainees will be declining.

On the other hand, the expenditures on equipment content will be increasing.

In general, the emphasis on modern equipment will be maintained in the planning of the Canadian programme and account will be taken of recommendations made during the course of this Annual Review by the international staff. The desirability of long term planning is recognized by Canada and we will continue to do what is practicable, but some limitations must in fact be placed on our long range planning owing to the necessity of integrating it with the requirements of the Canadian forces at home.

It is planned to continue Canadian mutual aid during the next fiscal year at approximately the same order of magnitude as at present." Text ends.

[L.D.] WILGRESS

582. DEA/50102-P-40

Note du secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Secretary of State for External Affairs to Prime Minister

SECRET Ottawa, December 18, 1956

NORTH ATLANTIC COUNCIL MEETING
PARIS, DECEMBER 11-14, 1956

This meeting of the Council was a difficult, as well as a very important one, in the sense that it reflected some of the differences — and irritations — that had been created over the Suez intervention by the United Kingdom and France. It also presented an opportunity for easing those differences. The British, particularly Selwyn Lloyd, were sensitive and defensive. They were not able to resist the temptation to try to justify their Suez actions at every opportunity. They were also inclined to exaggerate casual critical observations by the Americans — into proof of either hostility or lack of understanding or both.

The Americans — or some of them — seemed to be a little self-righteous and retained some traces of the feeling of moral indignation which the Anglo-French action — without consultation — had provoked. Dulles' speeches often take the form, even when they do not possess the substance, of moral lectures and this was the more noticeable at this session because of the somewhat suspicious atmosphere which existed. The British and French, smarting under the failure of their enterprise, were in no mood to receive sermons gracefully. Their sensitiveness and Dulles' natural insensitiveness made for one or two awkward moments in the discussions.

On the other hand, it is only fair to add that some of Dulles' observations were very friendly and constructive, while, according to Lloyd, he could not have been more warm and understanding in his private talks. In his talks with me also, Dulles said nothing critical or offensive about the British or French. He adopted a "more in sorrow than in anger" attitude.

Lloyd, however — and this is a very unhappy development — told me that he now wondered whether he could any longer put any trust in Dulles' fair words or friendly attitudes. He had learned through the grapevine that while Dulles had been discussing things with him personally, amicably and reassuringly, some of his officials at parties, etc., had been passing on what they indicated were Dulles' views of a more bitter anti-British character. According to Lloyd — whom I advised not to pay too much attention to this kind of gossip — the culprit in Paris had been Douglas MacArthur; as in Washington it is Rountree.

I think it is fair to say that at this meeting the United States attitude, generally, gave the impression that the United Kingdom and France were still "on probation" though likely soon to be respectable again, while that of the British and French was "unrevised and unrepentant".

Incidentally, Lloyd was very warm in his praise of George Humphrey who, in contrast to Dulles, he found to be warm, human and straightforward even when he disagreed.

It must be remembered, however, on the credit side that Dulles agreed, though not without doubts and after some amendments, to the paragraphs in the communiqué which emphasized the necessity for NATO co-operation in the Middle East and for a speedy and effective settlement of the Israel-Arab, and Suez problems. Dulles is probably right in his fears that the United States — in such agreement — may have prejudiced to some extent the stronger position they have at the moment with the Arab-Asians. They are again associating with bad companions!

Another United States attitude which caused some impatience in non-American circles was the emphasis placed at every possible opportunity on the United Nations as the great agency for conciliation and for the settlement of all problems. American zeal now, in contrast with past performance, notably in Guatemala, as the British keep sardonically reminding us — may later be shown to have outrun discretion. There may be occasions in the future when they may not wish the United Nations to take such an active part, and when the praise which they are heaping on the U.N. now may boomerang.

I reminded our American friends of this, somewhat obliquely, in one intervention, and also — less obliquely — when I said that reliance on the United Nations is no substitute for effective national policies or for co-operation inside a coalition.

This new zeal in Washington for the United Nations is in contrast to the increasing disillusionment in France and the United Kingdom over the world organization. This feeling has indeed led to some active opposition in these two countries to the whole U.N. concept and performance.

There were one or two other members of the Council who shared in general the British and French reservations and anxieties about United States attitudes at this Council meeting, but the only one who was outspoken in this regard was Luns of the Netherlands. He has a cynical if witty tongue and doesn't mind against whom he uses it; especially in private conversations where — as he must know — his "anti-American" sallies are bound to be repeated. Selwyn Lloyd himself cannot resist conversational verbal sallies against the Americans on occasions, some of which, no doubt, eventually reach them.

I would say that this Council session confirmed that the breach between Washington and London and Paris is a serious one. It also, however, began the process of repairing the damage. The Communiqué was better for this purpose than we could have expected earlier in the week, and the session ended on a friendly and co-operative note, due in large part to Dulles' closing remarks, which were good.

My own view is that this process of healing would move more speedily and effectively if the three or four personalities chiefly involved in London, Paris and Washington were replaced. A distrust has arisen between them — both personally and officially — which is going to persist for a long time. The Council may have — though I am not sure of this — lessened that personal mutual distrust. It certainly has not removed it.

There will be difficult days ahead because of Suez and its failures and frustrations; difficult especially for Anglo-French-American relations, but difficult also for the United Nations, now unrealistically exalted by one side and the object of irritated impatience and growing suspicion on the other; difficult even for NATO itself as this recent meeting, successful on the whole as it was, has shown.

583. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], December 19, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Revenue and Acting Minister of National Health and Welfare (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler).

The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

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N.A.T.O.; REPORT ON MINISTERIAL MEETING

23. *The Secretary of State for External Affairs* considered that the most important result of the recent N.A.T.O. meeting was that some progress had been made in restoring the unity of the alliance. The U.S. secretary of state had had private talks with the U.K. foreign secretary and the French foreign minister which had been useful and friendly. However, differences over Egypt remained deep and it would be a long time before confidence would be restored. Personally, he doubted if it would be completely restored so long as the present personalities remained in charge.

It was the consensus of the meeting that a major war was less likely to occur now but that the possibilities of a peripheral war had increased. It was also felt that the chances of such a war becoming general were greater now due to miscalculation. Russia was no longer fully in control of its satellites in eastern Europe and might strike out in desperation. The most dangerous area was East Germany. If there was a revolution there, the West Germans would immediately come to the assistance of their fellow countrymen east of the Elbe and a world war could easily begin. The Bonn government was acutely aware of this and had cautioned against provoking trouble in East Germany.

For the first time the N.A.T.O. ministers had discussed actively and at length a situation outside the treaty area — the Middle East. The U.S. secretary of state had been opposed to this but the other representatives had insisted on such discussion. It would have been unfortunate if Mr. Dulles had had his way at a time when the question of increased consultation was before the council and in the present world situation.

The Committee of Three report on co-operation in non-military fields had been amended and approved.[61] Mr. Dulles had made some moderate remarks on the question of consultation, but a distorted version of what he had said about the U.S. reserving its rights to decide questions alone had reached the press in a way calculated to help in Congress but likely to make trouble in N.A.T.O.

Mr. Spaak of Belgium had been chosen to succeed General Ismay as Secretary-General. He was a forceful character and a strong European and would introduce a different spirit into N.A.T.O. consultations.

The council had also agreed on a new political directive to provide guidance to the military commanders. The U.S. forces were now equipped with tactical atomic weapons and when the U.S. law was amended, as was quite possible, other countries might also obtain such arms. The directive was designed to guard against the mistaken use of such weapons, and to guide the military as to what action they should take in different circumstances. Needless to say, this was as difficult a problem as it was important.

24. *The Minister of National Defence* reported that the pressure from European countries to have tactical weapons was increasing as these became more readily available and as conventional forces were reduced. The British and French had already removed many of their units elsewhere. The U.S. was likely to reduce the size of its divisions but maintain their fire power with new weapons. Canada was the only nation that seemed to maintain the strength of its forces but this would be difficult in future in the face of reduced manpower contributions by other N.A.T.O. countries.

25. *Mr. Pearson* went on to say that in the Middle East, the U.S. had agreed to work on Suez and Palestine settlements but it was not pressing ahead with the work involved. Mr. Nehru was probably urging that things be allowed to settle down first but Mr. Pearson thought he was wrong in so doing. If the U.K. and France were confronted with no action on these problems as their forces withdrew, bitterness would increase. There would be great difficulties in reaching agreements on the future of the Suez Canal and on Palestine, but it was imperative to press ahead nevertheless. As regards the effect of hostilities in Egypt, the U.K. government was labouring under the wrong impression that the fighting had resulted in relatively few civilian casualties. In fact, destruction had been severe and hundreds of people had been killed.

The Iceland problem appeared to be settled for the moment. Icelanders had been so revolted by the incidents in Hungary and their feeling of danger had so increased that the communist party there agreed not to object to the continuance of the base arrangements with the United States.

The whole European situation had reached the point where both the west and the Russians were faced with a pretty thorough revision of their policies. One had to consider the possibility of a belt of neutral nations like Austria across the centre of Europe, including a unified Germany. The price for this would be the withdrawal of troops both by Russia and N.A.T.O. Such an arrangement was not possible without a real settlement with the U.S.S.R. The German foreign minister was now willing to talk of such a solution in private. It might mean that West Germany would have to withdraw from N.A.T.O. but

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[61] Voir OTAN, "Texte du rapport du Comité des Trois approuvé par le Conseil de l'Atlantique Nord le 13 décembre 1956" dans *Organisation du Traité de l'Atlantique Nord: Structure, Faits et Chiffres*, Bruxelles, Service de l'information de l'OTAN, 1981, pp. 293-313.
See NATO, "Text of the Report of the Committee of Three on Non-Military Cooperation in NATO" in *The North Atlantic Treaty Organization: Facts and Figures*, Brussels: NATO Information Service, 1981, pp. 270-288.

Germany would be unified, even though its eastern borders would only extend to the Oder-Neisse line.

26. *The Cabinet* noted the report of the Secretary of State for External Affairs on the recent ministerial meeting of the North Atlantic Treaty Organization and on Middle East questions which had arisen during the discussions.

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584. DEA/50102-P-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH NO. DL-19 Ottawa, January 8, 1957

SECRET

NATO MINISTERIAL MEETING — PARIS, DECEMBER 11 TO DECEMBER 14

You will have received from our NATO delegation a copy of the brief prepared in the Department for the use of the Canadian delegation to the NATO ministerial meeting held in Paris earlier this month. You should also have received in the selected cabinet documents series the telegrams sent to the Department from Paris reporting on the meetings.

2. I now attach for your information a copy of an appreciation of the meetings prepared in Ottawa, together with the text of the final communiqué. Copies of the Committee of Three Report are being distributed to all our missions, and a copy should be reaching you under separate cover.

R.M. MACDONNELL
for Secretary of State for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

SECRET

APPRECIATION OF THE NATO MINISTERIAL MEETING HELD IN PARIS FROM DECEMBER 11 TO DECEMBER 14

This series of Ministerial meetings was generally regarded as of special importance. International developments since the death of Stalin had reduced, if not removed, the threat of all-out military aggression. Hopeful speculation about whether this could be reflected in reduced defence commitments had placed new strains upon the coalition. It was generally realized that if these were allowed to subsist they might ultimately undermine confidence in NATO and impair its effectiveness as an instrument of collective defence. Moreover, the crisis in the Middle East had undoubtedly shaken confidence among the three major powers, whose cooperation is essential to that assembling of superior power which is one of the main justifications of the coalition.

2. Another important factor was the decision of the Council last May to appoint a Committee of three Ministers to advise on ways and means to improve and extend NATO cooperation in non-military fields. While taking into account the new Soviet emphasis on

penetration through political and economic measures, this report did not overlook the fact that events in Eastern Europe showed that the Soviet Union will not hesitate in certain circumstances to use force and the threat of force. Thus while NATO's mutual defence guarantee still remains, as the report points out, the "cornerstone of the foreign and defence policies" of NATO members, the measures of political and economic cooperation which the report recommends should, if applied by governments, serve to avoid a recurrence of the crisis of confidence through which NATO has passed.

Discussion on the International Situation

(a) *The Middle East*

3. With this kind of background the meetings began with an appeal from the Chairman, Dr. Martino, Foreign Minister of Italy, for further efforts to attain common policies on matters of common concern outside, as well as inside, the NATO area. However, in the discussion which followed, the consideration of Middle East questions was limited by the obvious reluctance of Mr. Dulles to enter into any detailed talks in formal session which might seem to prejudice discussions in the United Nations. Mr. Dulles in fact questioned the propriety of the Council discussing the Middle East — a non-NATO area — without the representation of governments whose interests were as directly or more directly concerned. He also quoted from the record of the Senate Foreign Relations Committee on the ratification of the Treaty to emphasize the Senate's opposition to the formation of a NATO bloc in other international organizations.

4. While it was agreed that the Council should not enter into the details of Middle East solutions, it was thought necessary (as the communiqué indicated) that the meetings should at least reach a common understanding on the general objectives on which members might try to concert policies. Otherwise it would appear that the divergencies on the Middle East were such that they could not even be discussed. With some reluctance Mr. Dulles agreed. However, although some moderately useful bilateral talks took place between Mr. Dulles and the U.K. and French Foreign Ministers on some aspects of Middle East problems, such as the clearing of the Suez Canal, divergencies on policy matters, as Mr. Dulles put it, were buried at this stage rather than resolved.

(b) *Eastern Europe*

5. The review of the international situation ranged far and wide, with each Foreign Minister stressing those aspects which were of chief concern to his government. The German Foreign Minister for instance took the lead in stressing that the present turmoil in Eastern Europe was full of dangers for Germany as well as for the Alliance as a whole, and that nothing should be done to interfere with the evolutionary process towards freedom in the satellites. The Federal Government was particularly anxious that no untimely, active opposition be aroused at this time in East Germany. Dr. Brentano concluded by suggesting that the people of Eastern Europe had the right to know the position of the West in relation to their struggle for freedom and proposed the adoption of a joint declaration containing a number of lofty if somewhat platitudinous thoughts, some of which was incorporated in the final communiqué.

6. Although Dr. Brentano referred to the continuing hopes of the German Government for early reunification, and indicated that his government would exploit any opportunity for diplomatic action in pursuit of this objective, it was clear that Germany's principal effort had now been deflected by events to the prevention of any untimely explosion in Eastern Europe.

7. There was no detailed discussion of Dr. Brentano's appreciation of the situation in Eastern Europe, but it is worth mentioning that Mr. Dulles seemed more inclined than

Mr. Lloyd to side with the German Foreign Minister in taking a serious view of its possibilities, particularly because of the risk that totalitarian régimes are apt to have recourse to external diversions when faced with internal difficulties.

Committee of Three Report

8. This report was generally well received. Mr. Lloyd who spoke first, urged its endorsement by the Council. Mr. Dulles interpreted what the Report had to say on prior political consultation as not meaning that member governments must in all cases obtain NATO's concurrence before taking action. The United States, he recalled, had a number of mutual defence pacts, and it would be impractical in the event of a major emergency arising outside the NATO area to expect the United States Government to tie their hands in advance to seek prior approval of the Council on all occasions before coming to the defence of other states to which the United States was bound by treaty obligations. Mr. Dulles made it clear however, that his approach did not imply any reluctance to discuss the developing policies of the U.S. Government and commitments in all parts of the world in NATO; indeed he said that "the U.S.A. Government would be prepared to discuss and explain its policies before the NATO Council with respect to every situation in the world, but when the situation is calm and when the necessity of action was not directly upon us." What he wished to avoid was a misunderstanding of the United States position which might lead to recriminations afterwards.

9. To meet certain interpretative comments made by Mr. Dulles and some reservations on the part of some delegations, particularly the French, the Council approved the recommendations of the report, leaving it to the Permanent Council and the Secretary-General to follow up its implementation. This approval could in due time constitute an important step forward for NATO, if member governments show a willingness to develop the habit of mutual consultation and use the procedures recommended for the settlement of inter-member differences to strengthen the solidarity of the Alliance.

Military Affairs

10. In the military field the Council, apart from giving its approval to the usual Annual Review reports, also approved a political directive for future military planning, taking into account a NATO estimate of Soviet intentions and capabilities and the various types of new weapons available for NATO defence.[62] This directive does not actually call for any fundamental change in the NATO strategic concept. There was no disposition, for instance, to modify the understanding that governments would be prepared to use nuclear weapons in the event of overt Soviet military aggression. Recognizing, however, that the risk of direct military aggression has probably receded, while that of indirect aggression has not, the political directive does emphasize the need for the NATO military planners to have on hand conventional forces designed to deal locally with situations short of all-out war such as infiltrations, incursions and local hostile actions by the Soviets, or by the satellites with or without Soviet support.

11. There was naturally on the part of many member governments considerable concern about the increasing cost of defence, and about the implications of trying to maintain large conventional forces to deal with limited attacks, in addition to forces equipped with tactical

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[62] Voir "Directive du Conseil de l'Atlantique Nord aux Autorités militaires de l'OTAN" reproduit dans Gregory W. Pedlow, éditeur, *Documents sur la Stratégie de l'OTAN 1949-1969*, Bruxelles: NATO, [1998], pp. 317-325.

See "Directive to the NATO Military Authorities from the North Atlantic Council" reprinted in Gregory W. Pedlow, ed., *NATO Strategy Documents, 1949-1969*, Brussels: NATO, [1998], pp. 269-276.

nuclear weapons. The United Kingdom delegation, in particular, made a strong plea for reducing the burdens of defence expenditure, especially those arising from the necessity of providing foreign exchange to finance its troops stationed in Germany. The United Kingdom Government apparently look to the Government of the Federal Republic for some temporary relief in providing financial support for the United Kingdom troops stationed in Germany. The reaction of the German Foreign Minister to the Chancellor's statement reflected an obvious desire to avoid any controversy which might jeopardize the continued stationing of U.K. forces in Europe. Thus Dr. Brentano said that he thought the problem of support costs could surely be resolved in a friendly and helpful way.

12. The review of the military planning of the Alliance also provided the European members with an opportunity to reaffirm their desire to see their own troops equipped as soon as possible with tactical atomic weapons from the United States. While the United States representatives recognized in principle the desirability as well as the necessity for NATO forces being provided with weapons of "dual capacity", (i.e. weapons capable of using nuclear as well as conventional projectiles), they refrained from making any specific commitments and left the matter to later bilateral negotiations.

13. Firm assurances were also sought that United States, United Kingdom and Canadian troops would continue to be stationed in Europe as part of the NATO shield. Apart from the reductions hinted at by the U.K. representatives and references to "streamlining" of existing U.S. ground formations, this assurance was forthcoming. Insofar as Canada was concerned, Mr. Campney said: "The Canadian Government intends for the present to maintain forces in Europe".

Organization of Meeting

14. This series of meetings justified Canadian insistence over the years that Ministerial meetings should last at least four days. There was more time for informal discussions and consultations outside the regular meetings. But there was the usual trouble about attendance at "restricted sessions" of the Council. At no time was the attendance for these discussions less than 80 to 100 persons. There were also the usual leaks of partial information from these restricted sessions to the Press. After it had become clear that certain delegations, particularly the U.S., were giving their side of the story, the Council authorized the Secretariat to provide the press with full briefings. This does not make for intimacy in consultations, but is probably inevitable with ministerial meetings.

Conclusions

15. While these meetings cannot be said to have taken the Alliance very far along the road of restoring agreement between the major powers on the Middle East, a start was made on the repair of the Alliance, particularly through informal talks which justified the comment from Mr. Dulles that the meetings had been important and productive, and had led the Alliance to show "renewed evidence of vigour and unity".

16. Militarily, SACEUR was assured of additional modern weapons to reinforce his military shield across Europe. The principle of the nuclear deterrent was safeguarded, but there was general acceptance of the need, in the face of events in Hungary, not to lower the military guard and to be prepared to cope with local and limited attacks.

17. The appointment of M. Paul-Henri Spaak to the Secretary-Generalship in succession to Lord Ismay to take effect next April, was given added significance by the concurrent approval of the recommendations of the Committee of Three which offer the Secretary-General wider authority and opportunity for initiative. The selection of a political personality for this office also underlined the new phase into which NATO is entering, with a new

emphasis on non-military co-operation as an essential complement to continued cooperation in defence.

6^e^ PARTIE/PART 6

RÉDUCTION DES FORCES DU ROYAUME-UNI
UNITED KINGDOM FORCE REDUCTIONS

585. DEA/50030-AG-1-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 240 Paris, February 14, 1957

SECRET. IMMEDIATE.
Reference: Our Tel 213 Feb 7.†
Repeat London (Information).

UK PROPOSALS FOR REDUCING DEFENCE EXPENDITURES

At the private session of the Council on February 14 the UK Representative made a complete statement concerning the measures which his government were taking to reduce defence expenditures. This statement is being sent to you in our immediately following telegram.†

2. He said that this statement was being given at the WEU meeting which was being held at the same time. While the details of the proposals had been discussed informally with SACEUR during his recent [visit] to London, no formal approach to obtain his judgement of the effects on NATO defence had been made. He therefore suggested that the Council might wish to make such a formal approach in Ministerial session on February 26 at which time these proposals would be discussed in the light of SACEUR's military assessment.

3. It was the general feeling of the Council that this was a matter of the gravest concern and that the early date of the WEU Ministerial meeting required very rapid action on the part of NATO. While the Council normally processed all military matters through the Standing Group, it would be necessary in this instance to approach SACEUR direct in the interest of speed. This procedure was further justified in that 90 percent of the effect of the proposals would be felt in SACEUR's forces. Thus it was agreed that the Standing Group Representative should personally give SACEUR a copy of the statement with the Council's formal request for SACEUR to provide to the Council as quickly as possible his military assessment of the effects of these proposals.

4. In further discussing the procedure to be adopted the German Representative expressed the view that it would be very difficult for SACEUR to produce the full military impact in writing and that it would be very useful if SACEUR could present his views personally as well as to answer any questions of clarification. As several other representatives supported this proposal, it was therefore agreed that SACEUR would prepare his appraisal in writing and distribute it to all countries as soon as possible. The Standing Group Representative said that SACEUR had been working on this problem for some time and that it should be possible for him to produce his appraisal within one week's time.

After this appraisal had been digested and before February 26, SACEUR would be invited to attend a Council meeting to be held either at SHAPE or the Palais de Chaillot, whichever is the most suitable, to clarify further and to amplify his paper.

5. Regarding publicity, the UK Representative said his government's position is not to announce any of the details of the proposals until full consultation had taken place in WEU and NATO. If any press enquiries were made they would simply state that the proposals have been placed before the WEU and NATO Councils where they were now under consideration. The Council then agreed to adhere to this statement and while admitting they were studying the details, not reveal them.

6. Thus the procedure will be for countries to study the UK statement and to coordinate these studies with SACEUR's paper when it is available. We will send this paper to you immediately it is received. We will then be able to put forth questions and comments at the Council meeting at which SACEUR will be present. We would, therefore, appreciate having your comments and guidance in time for this meeting.

[L.D.] WILGRESS

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586. DEA/50030-AB-5-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DL-212 Ottawa, February 21, 1957

SECRET. IMMEDIATE.
Reference: Your Tel 240 & 241† February 14/57.
Repeat Candel New York, Washington, London, Bonn (Routine) (Information).

UK PROPOSALS FOR REDUCING DEFENCE EXPENDITURES

We have examined in conjunction with Chairman Chiefs of Staff your telegrams under reference in the light of our earlier guidance and of the recent discussions in Washington and Ottawa with the UK Defence Minister. You will find below a number of considerations by which you may be guided when the matter is discussed in Council on February 22. The text of additional observations by General Foulkes will also be found in my immediately following telegram which will provide you with a useful summary of our approach in NATO to the question of the reduction of force contributions on economic grounds by any of the NATO partners, and on the basis of which the present telegram has been prepared.

2. As SACEUR's assessment has not yet reached us, our initial reaction is that nothing too specific can be said at this stage about the UK proposals, until we have a clearer idea of the extent to which they will affect the strength of the present UK military contribution to NATO, and the overall strength of NATO forces in Europe. One of the questions for instance to which an answer will presumably have in due time to be supplied is whether the UK proposed reductions in manpower will only take place in strict relation to an increase of the military capabilities of the remaining forces. We are not sure also if it is the UK intention to effect the reduction by withdrawing one division or by leaving the present structure and reducing each of the existing four divisions. Mention is made in the reorganization plans of three tactical division headquarters although Mr. Sandys has been reported

by the press as saying that the UK government would continue to maintain four divisions in Europe.

3. Another uncertain point concerns the extent to which the UK government will insist that its proposals be considered as a fait accompli. It is true that the UK statement affords an opportunity for SACEUR to comment on the proposals and for member governments to study them. At the same time these proposals have already received a great amount of publicity and have been presented as constituting fairly firm decisions on the part of the UK government. It seems to us that if we want to preserve the value and the significance of the Annual Review process and of the current military reappraisal, we must start from the premise that these proposals cannot be examined by themselves alone but that they must be brought into the context of the Annual Review process and studied in conjunction with the defence plans of the other NATO countries.

4. It would almost certainly be detrimental in the long run to the military strength of the organization if the Council felt that it had to rush a decision on the UK proposals without adequate processing by all the NATO military authorities concerned and proper consideration by other NATO governments and the Standing Group. Any reorganization of the land forces of the UK in Europe along the lines of the present proposals will obviously have considerable repercussions on the other national forces stationed in Europe, and more particularly those operating in the Northern Army Group. A careful examination of these repercussions would seem to be equally important before NATO can begin to talk about adopting the UK proposals.

5. On the other hand it has always been the view of the Canadian government since the formation of unified forces in Europe that, while Canada should give consideration to the views of the NATO military authorities regarding the character and formation of our contributions to the NATO forces, the decision as to the size and extent of such forces must rest with the Canadian government. This view is of course also in line with the TCC resolution at Lisbon and the practice accepted by the Council for the operation of the Annual Review.

6. In these circumstances and especially since we have not had yet the opportunity of taking cognizance of SACEUR's assessment, the following approach on our part in any discussion of the UK proposals would seem at this stage desirable:

(a) We should abstain for the moment from expressing specific comments regarding the nature of the proposals or the need for the reductions which they entail.

(b) We should however go along with any suggestion that the Council should refrain for the time being from approving these proposals, but merely note them. (We must in other words safeguard the right of the Council as well as of each member state to carry out a full examination of all the plans of the member states in the course of this year's Annual Review).

(c) If the appropriate occasion presents itself, you may suggest that the possible reorganization of forces on the basis of Brigade Groups, as the UK proposals seem to imply, should also be given careful study by the NATO military authorities, in an effort to ensure a standard organization through the NATO commands in Europe. (As our following telegram explains, Canadian military authorities will be taking steps to ascertain the intentions of the war office regarding the Canadian Brigade Group, although this need not be mentioned at this stage in Council.)

(d) If convenient during the discussions which the Council will have with SACEUR on the UK proposals, you may also refer to the problem raised by the disproportionate size of all NATO headquarters, particularly air force headquarters, at a time when the actual forces in being committed to NATO are well below the strength originally envisaged, and further reductions are now being contemplated.

7. In view of the above, we have no objection to having SACEUR meet with the Council on February 22 as already arranged, but we would expect however that another such meeting would be arranged in a week or so when all governments will have had time to digest SACEUR's assessment and any other data which he will have given on February 22.

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587. DEA/50030-AB-5-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DL-213 Ottawa, February 21, 1957

SECRET. IMMEDIATE.
Reference: Our Tel DL-212 Feb [21]/57.
Repeat Candel New York, Washington, London, Bonn (Routine) (Information).

UK PROPOSALS FOR REDUCING DEFENCE EXPENDITURES

Following is text of additional comments made by Chairman Chiefs of Staff, with which we are in general agreement and the substance of which has been reflected in our immediately preceding telegram:

Text begins:

2. "At the Council meeting in Lisbon in February 1952, the temporary Council suggested a resolution which was agreed to by the Council, and paragraph 12(a) states:

'Resolves that the realization of adequate defensive strength and its continued support by the governments and peoples of the North Atlantic Treaty countries require sound economic and social foundations which can be developed only by a satisfactory rate of general economic expansion;'

When the Annual Review procedure was agreed to, the Secretary-General produced a paper in August 1952 as the background of the nation's Annual Review. This paper was accepted by the Council as a working document for the procedures of the Annual Review, and in this document Lord Ismay laid down the resolution of country contribution to their national economy as follows:

'To sum up, the best chance of preventing Russian aggression in Europe, and the only chance of a successful resistance to such aggression if it should occur, lies in the continued determination of the North Atlantic Community to build up at the earliest possible date the strongest possible collective strength in Europe, subject to the following limitations:

(a) No country must undertake commitments which would bankrupt its national economy.

(b) The capacity to hold the ring in the cold war must not be impaired'.

3. The resolution on important changes in National Defence efforts, approved in October 1955, provides for the following:

'The government concerned shall inform the Council and the appropriate NATO military authorities of the changes contemplated. This shall be done, whenever possible, in time for the Council's views to be fully considered by the government concerned before the execution of decisions on the matters in question'.

4. It has been the consistent view of Canadian Ministers since the formation of unified forces in Europe, that Canada should give consideration to the views of the NATO military authorities regarding the character and formation of our contributions to the NATO forces, but that the size and extent of such forces must rest with the decision of the Canadian government. Therefore, it is our belief that since the U.K. reduction of forces has been based on an economic necessity, it would appear that this is consistent with the T.C.C. resolution at Lisbon, and the practice accepted by the Council for the operation of the Annual Review, and with the accepted NATO procedure. It also appears to be in line with the Canadian views on the rights of national governments to decide the size and extent of national contributions. Therefore, I feel that it would not be appropriate for us to make any comment on the validity of the U.K. position in reducing its forces on economic grounds. Furthermore, any Canadian comment on the effect of such reductions in NATO may lead to a suggestion being made that because of Canada's buoyant economic position, we might be able to withstand a further contribution to balance out some of the reductions suggested by the U.K.

5. The immediate effect and the significance of such reductions will, no doubt, be brought out by SACEUR when he appears before the Council next week, but the ultimate effects of such reductions along with the plans of other partners in this direction cannot be adequately assessed until after the Annual Review Committee has completed its examination. It is felt that on the question of the appropriateness and extent of such reductions, it would only be appropriate for our representative to suggest that the Council note the U.K.'s reductions and to reserve any final comment on the effect of these reductions on the Alliance as a whole until after the Annual Review Committee could make a report.

6. There are other important changes besides the extent of these reductions which should be considered. The U.K. proposals have considerably changed the character of the forces and their proposals involve a major reorganization of the ground forces of the U.K. stationed in Europe. This reorganization will have considerable repercussions on the other nationals who operate in the Northern Army Group. The U.K. proposals change the basic organization of land forces from that of the Division to a Brigade Group. This revision radically changes the logistic system which will become divorced from the Division and the administration and logistic support proceeds direct from the Corps to the Brigade Group. The adoption of such a reorganization might prove to be very beneficial to NATO, but we believe that such a change would have serious repercussions on other members of the Alliance, and should be studied by the other members of NATO with a view to its adoption should it prove to be advantageous. An early opportunity for such examination could be made at the next meeting of the Military Committee, which is expected to take place in Washington early in April. This might well prove to be a good opportunity to standardize the ground force organization for Allied Command Europe.

7. From a purely Canadian standpoint, these changes may have considerable effect, and the Chief of the General Staff is requesting the Vice-Chief, who is now in London, to find out from the War Office the implications of these changes on our forces in Europe. It will be noted that the U.K. reorganization provides for three tactical divisional headquarters and five infantry brigade groups; to operate these three tactical divisional headquarters they will need six Brigade Groups. This organization seems to indicate that the Canadian Brigade Group now in Europe is to be included under one of the tactical divisional headquarters. The information in this telegram seems to indicate that the size of the Brigade Group will be considerably reduced, as they refer to two brigade groups comprising 5,000

officers and men. The present strength of our Brigade Group in Europe is over 5,000. It would therefore appear that we would be required to follow this reorganization if our Brigade Group is to be included in the U.K. Division.

8. With regard to the reorganization of the Air Force, this has no specific affect on our Canadian forces in Europe as we operate under the USA Tactical Air Force. The proposed changes referred to in paragraphs 13 and 14, indicate that the reductions would be made in the numbers of aircraft of the squadrons, and the large overhead of the Tactical Air Force appears to be maintained although the number of aircraft available in the Tactical Air Force is 216, which is very much less than the numbers we maintain in a subordinate organization in the Canadian Air Division.

9. We have felt for some time that the strength of headquarters in Allied Command, Europe, has been far out of line with the forces which are now being made available. The size of these headquarters was decided at the time when it was anticipated that there would be 100 divisions and some 9,000 aircraft in Allied Command Europe. The actual strength of NATO today is about one-third of the previous accepted force goals. We believe that it would be appropriate to raise the question of the size of these various headquarters, and ask that a complete review be made to bring them into line with the forces we have under command."

Text ends.

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588. DEA/50356-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 384 London, March 1, 1957

TOP SECRET. IMPORTANT.

Reference: Your Tel G-33 Feb 25.†

Repeat Washington, Candel New York for the Minister, NATO Paris (Information).

UK DEFENCE POLICY

We have not yet heard what or how much explanation of the changes in UK defence policy was given by Mr. Duncan Sandys during his visit a few weeks ago to Ottawa. In any case, we are submitting in this telegram our own analysis, which is based on a number of discussions with various senior officials concerned in the Foreign Office and elsewhere, with service officers, newspapermen and some Members of Parliament of both parties, as well as on public statements by Ministers, but not on private discussion with Mr. Sandys himself.

2. The timing of the decision to undertake major defence reductions was determined very largely by economic considerations, and a realization, which came to a head after the Suez fiasco, that Britain had for some years been carrying commitments beyond her resources. It is recognized that were it not for over-riding economic considerations then from a purely foreign policy viewpoint this is an unfortunate time to have to reduce commitments in NATO in view of political and economic developments going on this summer on the Continent.

3. Economic factors have also accounted in great part for the substance as well as the timing of the decision.

4. However, there is more to it than a mere economic need to cut the suit according to the cloth. Though they will not admit it in public, Ministers and many senior officials in the Foreign Office and elsewhere concluded after the Suez debacle that some drastic action was needed to overcome what they considered unreasonable conservatism and "dragging of the feet" by the Chiefs of Staff Committee. There has for some time been a feeling that the services have been reluctant to make sufficiently sweeping adjustments to adapt to new techniques when this involved disturbing established interests and interservice patterns. No doubt some at least of this feeling has been unfair. Political directives have probably not been at all as clear as service chiefs would have liked. It is said, however, that on many occasions successive ministers had requested the Chiefs of Staff to produce overall reassessments *ab initio* of defence requirements and plans in the new strategic and technical situation which is emerging, and that the Cabinet finally lost patience at the lack of result.

5. However this may be, the Suez fiasco seems to have revealed major blunders, not only in political direction but in service posture and planning as well: and though the Armed Forces staffs were consulted on the fateful decision itself hardly more than was the Foreign Office, nevertheless there was some resentment that the services had been remiss in that they had not developed in advance the capacity to act to protect the vital canal zone at once when the crisis began last summer. Perhaps more important, a post mortem on the military execution of the decision to intervene at the end of October seems also in some influential civilian eyes, to have revealed a sorry incompetence. In this connection you may have noticed Liddell Hart's indictment on technical military grounds in last Sunday's *Observer*, which in any case we are forwarding by despatch.

6. The sweeping new powers over the Services which Macmillan gave to Duncan Sandys, significantly beyond those held by previous Defence Ministers, illustrated the new government's determination to bring things to a head and make important changes. To a considerable extent therefore these changes are being imposed from above. The military "details" which have to be worked out within the services themselves, are as yet far from clear. Indeed this is a considerable understatement.

7. The latter part of this telegram will outline what we have been able to learn (in addition to the UK's NATO-WEU presentation) of the new plans for the UK's defence posture, though it seems that these have not yet been at all fully decided. Before leaving the question of motives, however, it might be useful to analyse a little more fully the economic aspect and to mention also the factor of prestige and "Great-Power" considerations.

8. Balance of payments pressures have, of course, become endemic in post-war Britain, but the Suez crisis brought them to a head, as well as putting in power a Prime Minister with particular interest in economic problems. Balance of payments factors are particularly relevant to that part of UK forces which is stationed in Germany. Reinforcing this, there has been growing concern about the effect of German exports on Britain's traditional foreign markets, and increasing resentment that German prosperity has been achieved in part "at British expense", since German reluctance to push ahead with implementation of her defence commitments has allowed a high portion of German manpower to be devoted to capital construction and to export industries, while a remarkable proportion of British manpower has been tied up either in the Forces or in defence production. As reported below, the timing and presentation of British defence adjustments has been determined to some extent by tactical requirements for the current financial negotiations with Germany.

9. However, economic considerations go much deeper than balance of payments problems. Defence requirements, both for Service manpower and weapons, have involved a serious limitation on requirements for British domestic investment and hence on the basic rate of growth.

10. The budgetary factors are also real enough. There has been growing dissatisfaction with high taxes and in the more progressive conservative circles criticism of them as a discouragement to enterprise.

11. There is also, of course, the factor that particularly after Suez the Conservative Party has to do *something* to rebuild its popularity, and the fact that the Labour Party is on record as advocating measures which will ultimately make possible the end of National Service.

12. There is too, in both parties a feeling that as weapons and gadgetry become increasingly expensive and increasingly efficient, it must be a logical concomitant that manpower requirements of defence should be reduced. Increasing complexity of weapons "should" mean that large conscript forces are less use than small mobile long-service professionals.

13. The earlier decision to develop a separate UK nuclear weapons programme, including new megaton fusion weapons, has played a significant if not entirely logical role in the re-examination. This decision was based in part on the view that defence forces without nuclear components would inevitably be inefficient, in part on belief that possession of nuclear weapons (now hydrogen weapons) would prove an essential condition of effective membership in the "Great Powers Club" and in part on a serious calculation of real politic and strategy.

14. This latter point is worth elucidation. There has been a concern among thoughtful men, including leading statesmen in both parties that in an era of thermonuclear stalemate the USA either could not be depended upon in the last analysis to defend UK vital interests against the USSR (a fear which the "casual" USA attitude last summer towards the Suez Canal crisis did much to enhance), or, alternatively, that if the chips were down there would be a tacit USA-Soviet agreement to localize things on the Korean analogy i.e., that in the event of war nuclear weapons would be used only in Eastern and Western Europe, sparing the heartlands of the Soviet Union and North America. Many UK leaders, political and military, believe that in such an eventuality independent UK possession of hydrogen weapons would serve to help deter aggression or at least to ensure that in the last analysis if hostilities start this island might be included in the tacit "safe haven" area.

15. (Comment. This latter point is a weighty one. On the other hand we ourselves, if not the UK, cannot help reflecting that similar considerations may well be thought to apply equally to other areas — France, Sweden, perhaps Canada, possibly soon Germany, Japan or elsewhere. Yet it is surely arguable that any decisions which encourage the change from the present bipolarity and the reciprocal nuclear stalemate to a multipolar situation in which any one of a considerable number of governments could independently take a decision to unleash nuclear war, can hardly be held to enhance the chances of survival of humanity as a whole.)

16. There is another possible non-sequitur in official political thinking about atoms. They have tended to regard the development of nuclear weapons primarily and indeed almost exclusively as a strategic deterrent — and hence offering a means of saving money by reducing forces on the Continent from a "shield" to a "trip wire". On the other hand it is at least arguable that the thermonuclear stalemate may mean that if hostilities do occur neither side will in fact use big fusion weapons, and the determining factor will be the tactical use of smaller fission weapons. These considerations might make the shield concept more important rather than less so. But the politicians' desire for economy tends to

reinforce the service chief's reluctance to accept any restrictions on their free choice of weapons in a war, and hence to preclude the doctrinal substitution of graduated deterrence for the old concept of massive retaliation. This split between doctrine and practical military planning not only means greater risk of any small war spreading to a big one, but also means that the UK is reluctant to give the forces the men and money the shield policy would require.

17. To turn from general considerations to questions of geography, we have not found much evidence to support the idea that the UK has consciously decided to play in international affairs a role more limited, at least in terms of areas, than in the recent past. Senior Foreign Office officials categorically deny any such interpretation. Nevertheless an eventual smaller role is probably inevitable — indeed this reducing process began years ago. Certainly, moreover, the chastening events of last autumn should tend to discourage any further "Sinn Fein" adventures, at least for awhile, though there are inevitably some elements, both in parliamentary and official circles, who tend to seek further opportunities to go it alone precisely because they smart from recent failure.

18. We have been assured, however, that the UK government continues to consider the defence of Western Europe (i.e., the NATO area, as they see it) as the first and most vital interest. Despite the substantial reductions planned, the UK will still have a major portion of its forces stationed on the Continent. In this connection the Foreign Office are impressed with the undesirability, as they see it, of any deal with the Russians, at least at this time, for reciprocal troop withdrawals from Germany and Central Europe.

19. The UK seems determined however, "not to be suckers" in their relative contribution to German defence. In this connection, Patrick Dean, Deputy Under Secretary in the Foreign Office responsible inter alia for defence liaison, has told us that he does not expect an ultimate figure of more than six or seven German divisions, despite the promised twelve. And we gather that the UK figure of approximately 50,000 troops in Germany is a firm decision only until the end of the 1957/58 fiscal year. Maintenance of these troops after that will, they say, depend on the conclusion of satisfactory financial arrangements with Bonn.

20. Meantime, it has been indicated to us that the UK may delay somewhat the phasing of troop reductions in Germany, to meet SACEUR — but this, too, is linked with the tactics of negotiations with Germany, and the UK wishes that the NATO Council would divert its heat to Bonn.

21. As regard Germany, here is always also a further thought at the back of some Foreign Office officials' minds though it tends to cut across other considerations. This is the fear that conceivably Germany might one day become again a rogue elephant loose in the middle of Europe. As you know (our telegram 304 of February 19†) this is one factor behind the UK conclusion that it would not be desirable to try to negotiate with the Russians on mutual troop withdrawal from Germany and Central Europe. Incidentally, the UK believe that the Soviet Union for the same reasons (distrust of Germany) would not seriously contemplate such a deal. There is a further field in which this uneasiness about the future of Germany seems to be revealed, and that is a UK wish that it could tie in with the Germans on atomic and guided missile research and development. We understand that the Atomic Energy authorities here, as well as the Foreign Office, are not too happy at the prospect of exclusive German-French-Italian continental cooperation in this field. The UK wishes that their special relations with the USA and Canada did not preclude intimate UK association also with the Germans.

22. There has also been an ambivalence in UK political thinking about Western Europe. Some UK politicians have been keen on developing closer links, economic and otherwise, with Western Europe, not only for economic reasons, but as a means of developing a third force in Europe or at least a counterweight to USA preponderance within the North Atlantic community. The USA has on the whole tried to encourage the "European" trends in UK planning. This has irrationally caused some UK circles, parliamentary and official, to resent an assumed USA plot to reduce Britain to the status of a purely European continental power "like the Netherlands". On elements in the UK defence reassessment has been the feeling that hitherto through NATO too much of this country's defence resources had been tied up in Europe, whereas the USSR had switched her major threat to a gradual process of disintegration of Western interests in other more vulnerable areas. According to this analysis Nasser's Suez threat, and Britain's impotence to meet it, vividly illustrated this danger of "too much for NATO".

23. As for the Mideast, there has been no thought, UK officials tell us, of withdrawing from the Baghdad Pact. The strategic picture is however, changing. The UK used to rely in considerable part on four bases in a diamond formation — Libya, Cyprus, the Canal Zone and Jordan. Now they would like to withdraw from Libya, although they have been persuaded by the Americans to retain a small token force there. The canal base is lost and Jordan will go shortly. The UK are apparently determined that Cyprus must remain as a base. Its role as an exclusive UK base may be reduced (it will no longer have any function in UK thinking vis à vis the Suez Canal, we understand); but it must remain for NATO and Baghdad Pact purposes. It may also be developed as a base for intermediate range (1500 miles) guided missiles. As one senior Foreign Office official put it "Handing Cyprus to Greece would make Greece much too tempting a target for Soviet subversion — it would not even be fair to Greece".

24. As the Foreign Office see it, the essential thing in the Mideast is oil. The canal is not and must not become essential — the firm decision has been taken we understand to go ahead with alternative pipelines and with big tankers.

25. In the Foreign Office view, the local defence of the Mideast must depend on consolidation of the "Northern Tier" — Turkey, Iraq, Iran, Pakistan — supported by a logistic lineup from the South-West. The UK will therefore be very firm on defence of Aden and the Protectorates, we understand, while the USA has undertaken to consolidate its position in Saudi Arabia. Though no definite decision has yet been taken, the UK may go ahead with the plan to develop a major military base in Kenya.

26. In this concept, Egypt can be as it were by-passed. So can Syria, though perhaps less safely. But UK officials think that the present unsatisfactory political situation in these two countries could change.

27. As for the Far East, the UK have for some time recognized that Hong Kong is not defensible, though conceivably the Americans may decide to guarantee it by deterrent power. The UK will probably reduce its garrison in Hong Kong substantially. Also its forces in Singapore and Malaya, though timing here may be delayed through arrangements with the emerging Commonwealth governments. Perhaps Australia and NZ may take on more of the defence commitments in these areas.

28. In Korea the UK has decided to withdraw its forces, though in deference to American wishes a very small token group of officers may be left to show the flag and help the USA try to chasten Syngman Rhee.

29. So much for geography. As for forces, we have reported in previous telegrams on the plan to have bases for intermediate range guided missiles in the UK — some under USA

control, some under UK control and with UK nuclear warheads. There will also probably be a progressive dependence on guided missiles for air defence of this island. Indeed it is already possible to surmise that the days of manned aircraft are numbered, except for moving army units in transport squadrons. Conceivably the air force as we have known it may prove to have been the most stupendous flash in the pan in history.

30. As for the navy, the situation appears to be confused. We understand from service officers that the RN has been asked to prepare several alternative papers on roles (or "missions") and costs, and that no decisions have yet been taken though a drastic budget reduction seems probable.

31. Whether the UK government envisage that their allies should take up a greater share of the free world's defence burden is very difficult to say. They must recognize the danger of starting a trend toward reductions which could prove disastrous. Certainly they hope that their allies will not reduce their absolute defence contributions. But we doubt whether they have as yet given much thought to the desirability or possibility of expecting an actual increase by others. The USA Embassy here is concerned that the UK government may be inclined to place too much reliance on the awful threat of the USA Strategic Air Command.

[N.A.] ROBERTSON

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589. DEA/50030-AB-5-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], March 6, 1957

UNITED KINGDOM FORCE REDUCTIONS

When NATO was first seized with the United Kingdom proposals for the reduction of their forces in Europe we instructed our Delegation to abstain for the moment from expressing specific comments regarding the nature of the proposals or the need for the reductions which they entailed. In addition we instructed the Delegation to refrain for the time being from approving the proposals, with a view to safe-guarding the right of the Council as well as of each member State to carry out a full examination in the context of the 1957 Annual Review.

2. Since we sent these instructions SACEUR has commented that the proposed U.K. withdrawals can be accomplished only at the cost of increased risk to our security. In order to mitigate the unfavourable effects of the proposals he recommended phasing the reductions into the calendar year 1959, stationing on the continent part of the U.K. strategic reserve and the rotation of R.A.F. squadrons to airbases on the continent. The U.K. at the March 4th Council meeting agreed to phase their withdrawals into 1959 (it is contemplated that only 13,500 troops will be withdrawn up to April 1958). The U.K. has also agreed to the rotation of air squadrons if this is technically feasible. They have, however, been unable to agree to stationing the strategic reserve on the continent.

3. In the light of the U.K.'s reply, Council is now considering how it should deal with this question. Obviously any decisions lie within the province of WEU; on the other hand, the views of NATO members, which have been consistently negative if not unfavourable

will have to be recorded in some way. When there appeared in Council to be a choice between merely recording national views and the passing of a resolution, Mr. Wilgress suggested that the Council might merely follow its customary procedure and have at the end of the record of Council discussions a note summarizing the main conclusions. This seems to us to be a reasonable suggestion.

4. We are attaching a draft telegram† to the Delegation, setting out views on how we think the NATO consideration of the U.K. reductions should be handled in the context of the 1957 Annual Review, and leading up to the December Ministerial Meeting. Included in the telegram is a draft statement which Mr. Wilgress would make at the next Council meeting. We have not yet had comments from National Defence, but we understand General Foulkes will be discussing the draft telegram tomorrow with Mr. Campney, and he may wish to talk to you about it.

R.M. M[ACDONNELL]
for Under-Secretary of State
for External Affairs

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590. DEA/50030-AB-5-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET [Ottawa], March 7, 1957

U.K. FORCES REDUCTION

We have now had General Foulkes' comments on our draft telegram sent to you under cover of a memorandum yesterday. His letter of March 7 is attached.

2. The amendment proposed in his paragraph 2(a) seems acceptable. With regard to the additional paragraph suggested in paragraph 2(b), we feel that the ideas contained in it might better be added to the end of paragraph 6 as follows:

> "The Council has of course recognized the right of any member country to determine its contribution to NATO in accordance with its economic capability. It will be recalled that this principle was recognized in the TCC resolution agreed at the Lisbon meeting".

We might then start off paragraph 7 as follows:

> "In the light of this established principle, I think we should all welcome the reply which the United Kingdom Representative has made to SACEUR's recommendations."

3. I think we should avoid expressing our agreement in principle to the reductions as suggested in General Foulkes' paragraph, and his point regarding the discussion in the Annual Review has already been included in paragraphs 4 and 6 in our draft. General Foulkes' paragraph states that the discussion should take place before implementation but this is of course unrealistic for that part of the implementation which is to take place before April 1958.

4. We have discussed these changes with General Foulkes, and he agrees to them.

R.M. M[ACDONNELL]
for Under-Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Le président du Comité des chefs d'état-major
au sous-secrétaire d'État aux Affaires extérieures

Chairman, Chiefs of Staff Committee,
to Under-Secretary of State for External Affairs

SECRET Ottawa, March 7, 1957

U.K. REDUCTION OF FORCES

1. Reference is made to your draft telegram dated 6 March 1957, in reply to telegrams Nos. 373† and 374† of 5 March from the NATO Delegation, reference D.L.(1).

2. I am in general agreement with your reply but would suggest that the following insertions be added:

(a) Add the following words to the last sentence in paragraph 2: "and not make the going too easy for any other nations who are contemplating getting on the band wagon".

(b) Insert the following paragraph after paragraph 4: "However, the Canadian Government feels that the Council should recognize the right of any NATO member country to determine its contribution to NATO, consistent with its economic capability. It will be recalled that this principle was recognized in the T.C.C. resolution, as agreed to by Council at Lisbon and also in the resolution contained in the Secretary-General's document in August 1952 which was accepted by the Council as a working document for the procedures of the Annual Review. However, while agreeing in principle to these reductions, it is considered that the method, timing and the implications of changes in organization which may have far-reaching results, should be fully discussed before implementation through the normal processes, such as the Annual Review and consideration by the Military authorities."

CHARLES FOULKES

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591. DEA/50030-AB-5-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DL-308 Ottawa, March 8, 1957

SECRET. IMMEDIATE.

Reference: Your Tels Nos. 373† and 374† Mar 5/57 and 379† Mar 6/57.
Repeat London (Immediate).

UK REDUCTION OF FORCES

The UK replies to SACEUR and their at least partial agreement to his recommendations are encouraging. As you point out the UK consent to phasing their reductions may lend more substance to the examination of their plans in the Annual Review context.

2. We have been wondering, in the light of the UK's reply, whether it might be possible for Council at this stage to take note only of the reductions which are to take place in the

1957-58 UK fiscal year. This would meet the requirements of the UK budget and at the same time make possible a thorough examination of future reductions in the 1957 Annual Review. While this would "prolong the agony" for the UK, it would have the advantage of enabling the military and political authorities of the Alliance to consider all the implications and at the same time create a precedent for dealing with similar cases in the future — should they arise.

3. On the question of procedure, we think it would be desirable to include a statement in the Council minutes along the lines of your telegram 374. An additional paragraph after G might be added along the following lines:

"To express the intention of the Council to reexamine the reductions which the UK representative has stated are to take place after April 1958 in the light of the 1957 Annual Review."

4. If the Council decides not to include such a statement in the summary record you should propose that the Council should re-examine the UK reductions in the light of the 1957 Annual Review.

5. We think it will now be necessary for us to take a position in Council on the substance of the UK proposals. You should at an appropriate time make a statement along the following lines:

Begins:

"The Canadian Government has refrained, until the present, from commenting on the substance of the UK's announcement of their proposals to reduce certain elements of their NATO assigned forces. This was occasioned by our hope that Council would not be called upon to express a hurried view on a proposal which we felt had wide and serious implications for the Alliance. We had consequently suggested that all these implications should be examined in detail in the 1957 Annual Review. We are of course aware of the problem of timing and the wish of the UK government to have some aspects of their proposed reductions reflected in the next budget. If this is to happen it will obviously be impossible for the organization to devote to this question further detailed study at the present time.

SACEUR's comments have provided a basis on which to make a preliminary assessment of the impact of the proposed reductions and of the importance of limiting this impact. The Canadian government agrees in general with the analysis of SACEUR and supports his recommendations for limiting the effects of reductions which are deemed necessary. The Council has of course recognized the right of any member country to determine its contribution to NATO in accordance with its economic capability. It will be recalled that this principle was recognized in the TCC resolution agreed at the Lisbon meeting.

In the light of this established principle, I think we should all welcome the reply which the UK representative has made to SACEUR's recommendations. It reflected a willingness on the part of the UK to meet the views which have been expressed by their partners in the Alliance. The agreement to SACEUR's recommendation to phase the reductions of forces through 1959 is particularly welcome. Apart from helping to meet the military requirements for forces on the continent it will enable the organization to examine the full implications of the reductions which are to take place after April 1958 well in advance of the UK budget for that year. It is our hope therefore that this question will be studied carefully in the 1957 Annual Review and later discussed at the December Ministerial meeting.

We are of course fully and sympathetically aware of the economic difficulties which have led the UK to propose reductions in their defence expenditures, but we are concerned at the effects which reductions of these dimensions could have both on the defensive strength of the Alliance and on the political and psychological situations in other member countries. We cannot yet gauge the full military or political effects of these proposals. All we can do at present is to express our concern." Ends.

6. The UK authorities have apparently been rather upset by our suggestion that their proposals be examined as part of the Annual Review process. Quite strenuous representations from Earnscliffe were followed on March 6 by a letter† from Mr. Macmillan to Mr. St. Laurent setting forth briefly the UK case as already presented in the Council by the UK Representative, and asking that our Representative take a sympathetic view of the UK difficulties so that the discussions in NATO may be brought to a satisfactory conclusion. Mr. Macmillan stressed that the proposals did not signify the smallest diminution in the UK's belief or trust in the Atlantic Alliance, but were necessary so that the economy of the UK should be strong enough to enable it to remain a good NATO partner. The text of Mr. Macmillan's letter and of Mr. St. Laurent's reply† will be sent to you in a separate message.

7. We have given Earnscliffe verbally the gist of this present telegram and have stressed the following points:

(a) that we recognize fully the right of the UK to determine its Force contributions to NATO;

(b) that it was and is our opinion that ideally reductions of such magnitude should be subjected to most thorough study before they have to become final and irrevocable;

(c) that at the same time we recognize and sympathize with the economic pressure which makes it necessary for the UK to have their reductions reflected in the forthcoming budget and that we have no wish to impede this step;

(d) that we still think that those reductions now phased to take place in the 1958-59 UK fiscal year should be examined in the 1957 Annual Review in order that the Alliance may obtain the clearest possible picture of their implications;

(e) that one of our main concerns has been that the UK steps, dictated though they were by undeniably serious economic considerations, should not set a pattern and that it would be possible to prevent the rot from spreading throughout the Alliance.

8. It is this last point which is partly reflected in our paragraph 2 above. We would hope that the "prolongation of the agony" might serve as an object lesson and discourage precipitate reductions by other member countries. We would also hope that the developing military reappraisal might provide a further deterrent to unilateral reductions by bringing home again to the members of NATO, when the stage of the essential Forces Posture has been reached, the seriousness of paring the net military strength of the Alliance. We note from paragraph 8 of your telegram 373 of March 5 that SACEUR has stated that "His responsibilities remained the same and in fact the political directive had increased them slightly".

592. DEA/50030-AB-5-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 407 Paris, March 11, 1957

SECRET. IMMEDIATE.
Reference: Your Tel DL-308 Mar 8.
Repeat London.

UK REDUCTION OF FORCES

We thank you for your helpful telegram and are glad that you recognize the necessity for us now to take a position in Council on the substance of the UK proposal.

2. I see difficulty in persuading the UK to separate the reductions proposed for the fiscal year 1958-59 from those proposed for 1957-58. Their desire for early NATO and WEU conclusions is due to the fact that they are preparing a White Paper reviewing the UK defence effort over the next few years. They therefore could not agree that the decision with regard to the reductions to be effective in the second fiscal year should be postponed until after they have been examined in the light of the 1957 Annual Review.

3. Roberts told me last week that the USA had proposed that the Council should take action now only with respect to the reduction of 13,500 officers and men contemplated for the next fiscal year and that no decision should be taken with regard to the reduction of an equivalent number of officers and men for the second fiscal year. You will note that this USA approach is very similar to yours. Roberts had to tell Perkins that this would not suit the exigencies of the UK White Paper. In the message which Mr. St. Laurent has sent in reply to Mr. Macmillan's message, it is stated that the Canadian Permanent Representative will be instructed to support a statement for inclusion in the summary record of the Council which should bring the discussion to a close. In the UK view, this can only be done if we give them the green light to outline their proposed reductions over both fiscal years in their White Paper on Defence.

4. In the statement you have prepared for me to deliver in Council you refer to the economic capability resolution agreed to at the Lisbon meeting. This resolution has not been invoked by the UK who are basing their action solely on the provisions of C-M(55)82 (Final) which requires them to consult with their allies before withdrawing forces assigned to NATO commanders.

5. I doubt the wisdom of referring to the TCC resolution on economic capability. The chief contention of the other European countries is that like the UK they too have economic difficulties. The French in particular point out that their economic situation is even more acute than that of the UK. I fear, therefore, that a reference to the TCC resolution would not be well received and would give an excuse for that chain reaction which we so much wish to avoid. I believe that all we can do to accomplish the end you have in view in the draft statement you have prepared is to set forth our concern and propose that after we have taken note of the proposed UK reductions, we should reexamine them as part of the Annual Review process both in 1957-1958. With this end in view we have redrafted the statement which I am to deliver in Council on Wednesday and the text is being sent to you

in my immediately following telegram. I should appreciate a reply commenting on this draft statement in time to reach us before the meeting on Wednesday morning, March 13.

[L.D.] WILGRESS

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593. DEA/50030-AB-5-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 408 Paris, March 11, 1957

SECRET. MOST IMMEDIATE.
Reference: My Tel 407 Mar 11.
Repeat London (Information).

UK REDUCTION OF FORCES

Following is text of statement for delivery in Council on Wednesday, referred to in my immediately preceding telegram. Text begins:

"We have refrained up to now from giving the Council the considered views of the Canadian Government on the substance of the UK proposals to reduce certain elements of their NATO assigned forces. We are of course fully and sympathetically aware of the economic difficulties which have led the UK to propose reductions in their defence expenditures but we are concerned at the effects which reductions of these dimensions could have both on the defensive strength of the Alliance and on the political and psychological situations in other member countries. We cannot yet gauge the full military or political effects of these proposals. All we can do at present is to express our concern.

We had hoped that the Council would not be called upon to express a hurried view on proposals which had wide and serious implications for the Alliance. It was for this reason that we had suggested that all these implications should be examined in detail as part of the Annual Review process. Our particular worry concerns the manner in which the Council have been presented with these proposals and asked to express their views without the proper opportunity for detailed examination. We are of course aware of the problem of timing and the wish of the UK government to incorporate their proposed reductions in a White Paper on Defence to be issued before the presentation of the next budget in April. This obviously renders it impossible for NATO to devote further detailed study at the present time. The comments of SACEUR have provided a basis on which to make a preliminary assessment of the impact of the proposed reductions and of the importance of limiting this impact. The Canadian government agrees in general with the analysis of SACEUR and supports his recommendations for limiting the effects of the reductions which are deemed necessary.

In our view, adequate consideration of the UK proposals can only come about when we are able to consider the revised UK Force contributions along with the contributions of other countries to our common effort. This is the purpose for which the Annual Review procedure has been devised. Given the exigencies of the UK time-table there is little more for us to do at this stage than to take note of the UK proposals. At the same time we should welcome the reply which the UK Representative has made to the recommendations of

SACEUR. It reflects a willingness on the part of the UK to go some way to meet the views which have been expressed by their partners in the Alliance. While welcoming the agreement to phase the reduction of forces through 1959, we should hope that the time-phasing of these reductions and the other recommendations of SACEUR will be considered further both in the 1957 and the 1958 Annual Reviews. This would assure that, while taking fully into account the financial and economic difficulties with which the UK is faced, every effort will be made to lessen the impact of these reductions of forces on the Alliance as a whole.

In summary, therefore, we feel that once the Council has taken note of the proposed UK reductions, NATO should reexamine these reductions as part of the Annual Review process. It seems to us that there are very cogent reasons in favour of such a course of action.

First, such a reappraisal conducted in the Annual Review context would provide a further deterrent to unilateral reductions by bringing home again to the members of NATO the seriousness of paring the military strength of the Alliance.

Second, it would have the advantage of enabling the military and the political authorities of the Alliance to consider the full implications of the UK reductions. In this connection, I wish to draw the attention of the Council to the recent Standing Group statement (RDC/99/57) to the effect that: "The impact of the reshaping of British forces in the overall NATO military posture can be completely assessed only in the light of the military studies now in process, and after the full extent of any other planned UK reductions of NATO forces are made known and studied."

Lastly, it seems important to us that the Council in determining its present course of action gives due weight to the fact that its decision will create a precedent for dealing with similar cases in the future should they arise. Text ends.

[L.D.] WILGRESS

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594. DEA/50030-AB-5-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 423 Paris, March 12, 1957

SECRET. MOST IMMEDIATE.
Reference: Our Tel 407 Mar 11.
Repeat London (Information).

UK REDUCTION OF FORCES

I have had a talk with Sir Frank Roberts who told me that the Mollet-Macmillan conversations last Saturday on the subject of the UK reductions in forces were not satisfactory. Both Prime Ministers reiterated their respective points of view and most of the arguments were at cross purposes. No definite conclusions emerged at the end of the discussion.

2. It appears that French preoccupation is with the number of men on the Continent. Mollet paid little attention to Macmillan's arguments about the increased efficiency of the new UK formations. He said that what France wanted were as many British, American and Canadian troops and dependents as possible on the Continent so that if anything happened

these three countries would be as much in the thick of it as French men and women. I believe that this is another reflection of French anxieties over Algeria. The withdrawal of their best troops to North Africa has made the French conscious of their own lack of military security and dependence on their allies.

3. Up to the present the French appear to have the intention first of opposing strongly in NATO the proposed UK reductions in forces and, secondly of soliciting support for a WEU resolution disapproving the reductions. Roberts doubts if they will go as far as that but he is still without any definite indications of French intentions since the Ministerial talks on Saturday did not serve to clear the air.

4. Roberts left with me the impression that some very hard bargaining has been going on between the British and the French. In agreeing to examine sympathetically the association of overseas territories with the Common Market and to support the arms arrangement, Macmillan has made it plain that he expects in return French acquiescence in the proposed UK reductions in forces. He told Mollet that the fate of his government depends upon their carrying through the measures they have started and that if they were succeeded by a Labour Government, France would have less chance of securing the degree of British cooperation in European affairs he had promised to give.

5. Since dictating the above, Parodi has called to see me and advised that at the meeting tomorrow he will have to express his regrets that the French government is unable to agree to the proposed UK reductions in forces. He will suggest that later on the whole question should be examined afresh by NATO in the light of the economic situation in the various NATO countries and the requirements for new arms. He said that his government had not come to this decision lightly, particularly in view of the happy relations which have been existing between the French and British governments. However, the undertaking to maintain four divisions and the second tactical air force on the continent was one of the guarantees of the Paris Agreement which the French valued most highly. They could not be sure that further reductions might not take place once they had agreed that the UK could go below the level set in the Paris Agreement. They were also very worried about the possible chain reaction and felt that already Norway and Denmark were contemplating similar steps.

[L.D.] WILGRESS

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595. DEA/50030-AB-5-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DL-317 Ottawa, March 12, 1957

SECRET. MOST IMMEDIATE.
Reference: Your Tels 407-408 Mar 11/57 and 423 Mar 12/57.

UK REDUCTION OF FORCES

Your telegram No. 423 reached us as we were considering the revised statement contained in your telegram 408. In the light of comments in your telegram 407 we agree that you should make your revised statement with the following amendments.

Paragraph 1. Delete "We cannot yet gauge the full military or political effects of these proposals. All we can do at present is to express our concern."

Paragraph 2. Delete 3rd sentence viz. "Our particular worry concerns the manner in which Council have been presented with these proposals and asked to express their views without the proper opportunity for detailed examination."

Paragraph 3. 2nd line, replace "consider" by "examine".

9th line, replace "go someway" by "do what they can".

At the end of paragraph 3 add the following sentence. "We feel therefore that once Council has taken note of the proposed UK reductions NATO should re-examen these reductions as part of the Annual Review process."

2. Delete remainder of statement.

3. In view of the outcome of the Mollet-Macmillan conversations and the information which Parodi has given you to the effect that the French government will not agree to the proposed UK reductions in forces it would seem unlikely that Council would be able to complete its discussions on this subject tomorrow. It may be that a way out of this impasse may be sought along the lines of our telegram DL-308 of March 8 whereby Council could take note of the reductions schedules for implementation up to April 58 and at the same time establish stringent procedures for examining the reductions which are to take place after that date. Although such a solution would not appeal to the UK you have reported that the USA have also been thinking along these lines and consequently they may form the basis of a compromise.

4. After making the statement as revised in this telegram you may make use of the ideas contained in our telegram DL-308 if you feel they may be useful in seeking a compromise.

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596. DEA/50030-AB-5-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 430 Paris, March 14, 1957

SECRET. IMMEDIATE.

Repeat London, Washington, Bonn, Paris (Information).

UK REDUCTION OF FORCES

The morning and afternoon meetings on March 13 of the Council on the UK reduction of forces left an impression of uneasiness in view of the general opposition that continues to be expressed to the UK proposals.

2. We do not intend in this report to go into the detail of the statements made, partly because the reasons given to justify the positions taken would already be familiar to you and partly because it was decided, in view of the importance of yesterday's meetings, to have a full summary record prepared by the international staff which should be available in a few days. Our reporting will therefore be confined for the most part to the conclusions reached by member governments regarding the UK reduction proposals.

3. M. Parodi was the first to read a carefully prepared statement. The French government ask the UK authorities to reconsider their reduction proposals because:

(a) they would result in a weakening of the shield;

(b) they have not been coordinated with the overall military plans of the Alliance;

(c) they have not been synchronized with the time-table envisaged for the use of modern weapons; and

(d) finally they are politically unsound (the Soviet threat remains as great as ever, a chain reaction is likely to be provoked, they undermine the Paris agreements).

4. The Benelux countries all adopted a similar position, i.e. that the UK government should reconsider its plans. The Luxembourg and Belgian Representatives covered no new ground, but the Netherlands Representative was more articulate. He contended that no final decision could be reached on military grounds at this stage and quoted in this connection the Standing Group statement which we have already mentioned to you. His government felt unable therefore to accept the UK proposals unless SACEUR's recommendations were fully met. He particularly questioned the validity of the reasons advanced by the UK for not stationing their strategic reserve forces on the Continent and expressed the deep concern with which they view the contemplated drastic reduction in the number of aircraft. He ended his statement by advocating the consideration of the full implications of the UK reductions in the 1957 Annual Review.

5. One of the Scandinavian countries, Denmark, merely stated that they are only prepared to note the UK reductions, while Norway stood by the opinions they have previously expressed. Norway's main concern at this stage is that, in the conclusions that will eventually emerge from the Council's discussions, two points should be emphasized. First, that no development in the international situation justifies a relaxation of the NATO defence effort; secondly, that the forward strategy concept should be maintained.

6. The Portuguese Representative deplored the trend discernible in NATO to reduce its defence efforts and military preparedness (France's withdrawal of forces for North Africa, delay in the German rearmament, and now the UK reductions). The Italian Representative, for the same reasons as those given by the French, expressed the earnest hope of his government that the UK will reconsider its stand with a view to implementing SACEUR's recommendations. He also favoured a further detailed examination of the UK proposals by the Council. The Turkish Representative stated that his government hoped that the UK will reconsider its plans and accept SACEUR's recommendations which they consider as minimum requirements.

7. The German statement was perhaps the bluntest one. It ended up with the conclusion that the German government regret that for the time being they are unable to agree to the UK proposals. It repeated the now familiar arguments that the UK proposed reductions will weaken the continental shield (to a point where local conflicts could not be dealt with without the use of atomic weapons); that the present basic strategic concepts of the Alliance were put into question; that they will have grave political consequences; that Germany has done all it could to help the UK meet its foreign exchange difficulties; that they were greatly concerned over the reduction in strength of the second tactical air force by 50 percent and the transfer of the strategic reserve to the UK. The German Representative said they could perhaps consider reductions in the UK forces after the build-up of the German forces.

8. The USA Representative reiterated his government's concern with the long-term impact of the proposed UK reductions. Nothing that has been said so far diminishes their concern in this respect. He particularly hoped that the UK would be able to leave its strategic reserve in Europe and would be able to make further readjustments in their withdrawal plans. My own statement was made about halfway through the meeting before the German

statement. After the meeting Roberts thanked me for having given him the sole opening to be forthcoming when he intervened to rebutt what had been said by other representatives.

9. I shall not attempt to report fully on the lengthy intervention of Sir Frank Roberts after the views of all the governments represented had been heard. It will suffice at this stage to mention some of the highlights. After having said that the UK government had done all it could to meet SACEUR's recommendations, it was apparent that a majority of their allies still felt that this was not enough. This implied nothing less than a demand that the UK government change its present plans. In their view, this was an entirely new NATO doctrine, the existence of which they were not aware. He regretted particularly the attitude that one friendly delegation (France) had seen fit to adopt. The major part of Sir Frank's intervention consisted of an extremely pointed and spirited rebuttal of the German points. It left the distinct impression that the UK has now decided to draw attention, more openly in the Council than they have done hitherto, to the inadequacies of the German contributions to the common defence effort. The UK Representative, after dwelling upon the foreign exchange difficulties they are facing, said that although they had not originally intended to invoke the last sentence of Article 6 of Protocol II of the Paris agreements, they now felt that the situation may warrant their doing so and they were prepared to have their foreign exchange problems examined by NATO. Sir Frank also addressed himself to our suggestion and that of The Netherlands, that the examination of the UK reductions should be carried out in the Annual Review context. They had no objection of principle to this suggestion as they were fully aware that their reductions will necessarily be reflected in their Force goals and that their own plans will take a long time to develop. It should be borne in mind, that while their reduction plans for 1957-58 were limited in character and could therefore be examined, the impact of their plans for subsequent years cannot yet be fully assessed. In any case, they thought that there should be plenty of time for the full implications of their reduction measures to be considered in the Annual Review. Sir Frank's concluding remarks were to the effect that they had two approaches opened to them. One was to invoke overseas emergencies, their desire to replace outdated military equipment or other such reasons which none of the allies could have seriously questioned. The other, a more arduous one, was a frank and honest exposé of their difficulties, economic or otherwise. They had chosen the latter and they hoped that in the end they will not be forced to conclude that this honest approach had proved to be a tactical error. He also stressed their preoccupation with reaction of their home public opinion if the discussions were to be carried on much longer. There could be a chain reaction within the UK.

10. When the Council reconvened in the afternoon, the German Representative said that their approach had been to consider SACEUR's recommendations as an integrated whole. If they were to be disassociated and only one or two were met as the UK proposed, their overall value would be lost. Although they appreciated the UK concessions regarding time-phasing, in fact it only meant that the phasing was improved by some three months. Under the original UK proposal the reductions were to start in the last quarter of 1957 and to be completed during 1958. The new proposal was that they start in the first quarter of 1958 and completed by the first quarter of 1959. In the German view also it was correct to speak of a 50 percent strength reduction in the second ATAF, as the number of aircraft was to be reduced by that percentage. He repeated the German thesis that the financial assistance they were giving to the UK not only eased the foreign exchange difficulties of maintaining UK troops in Germany but also went a long way towards the budgetary costs. He concluded his statement by asking the UK government to give further consideration to keeping its strategic reserve of 5,000 officers and men on the continent.

11. By that time it was apparent that the Council had reached the point where an attempt should be made to draw some general conclusions from the discussions. The Chairman suggested, and this was agreed, that the full summary record of these meetings would be considered as representing the views of the member governments. In addition, Lord Ismay had prepared, on his own responsibility, a paper which summed up what seemed to be general conclusions emerging from the exchange of views in Council. This paper is preceded by a factual section giving a chronology of the discussions. We are sending in a following telegram† the operative part of this paper which is along the lines indicated in our previous telegrams, although couched in more general terms. While it contains a reaffirmation of the multilateral character of the consideration of the UK reductions, it does not specifically refer to the fact that the UK reductions will be reexamined in the Annual Review context. As, on the one hand, the general conclusions are not meant to be exhaustive and, indeed, only reflect the general climate of the discussion, and on the other, that Sir Frank recognized the necessity of examining in detail the implications of their reductions in the Annual Review, I did not think it necessary to insist that this point be spelled out in the Secretary General's summing up, which he emphasized he was making on his own responsibility. To have done so would have evoked other requests for the inclusion of special points made by representatives.

12. The last point considered was the question of publicity. This arose from the fact that the press communiqué issued after the conversations held over the last week-end between the French and UK Prime Ministers mentioned that the Council was to consider this matter further on Wednesday. The UK Representative was anxious to be able to satisfy the curiosity of his home press about the outcome of the discussion. It was finally agreed that the following info should be given out if questions we asked:

"The North Atlantic Treaty Council today had a further discussion of the proposed revisions of UK forces stationed on the Continent at which Permanent Representatives expressed the views of their governments at this time. This concludes this phase of the consideration of the problem."

13. Both the UK and USA representatives thought it necessary, in addition, for NATO to issue a more substantive communiqué after the WEU meeting had been held. The Council will therefore meet again early next week to consider the matter. Delegations were asked to seek the views of their governments as to what might be said publicly about the consideration of the UK proposals by Council.

14. As you may know the WEU Council will meet at the ambassadorial level on Friday of this week; if they fail to reach agreement a meeting of the Council will take place on Monday next at the Ministerial level.

[L.D.] WILGRESS

597. DEA/50110-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 524 London, March 19, 1957

SECRET. IMMEDIATE.
Reference: Our Tel 497 Mar 18.†
Repeat NATO Paris, Paris, Washington, Bonn (Information).

UK REDUCTION OF FORCES — WEU COUNCIL OF MINISTERS MEETING

The Foreign Ministers of the Seven met yesterday and after a long and strenuous session which lasted until early this morning agreed on a certain number of conclusions which are contained in my immediately following telegrams.

2. At a further meeting held this afternoon the Council agreed that the UK Foreign Secretary, in his capacity of Chairman of the WEU Council of Ministers, will transmit the text of the conclusions to NATO.

3. With respect to the proposals made by the German Chancellor, to which reference is made in the conclusion of the WEU Council, it is presumed that they will be transmitted to NATO by the German government. For your info we are sending the text by telegram 526.†

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598. DEA/50110-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 525 London, March 19, 1957

SECRET. IMMEDIATE.
Reference: Our Tel 524 Mar 19.
Repeat NATO Paris, Paris, Washington, Bonn (Information).

UK REDUCTION OF FORCES — WEU COUNCIL OF MINISTERS MEETING

Her Majesty's Government in the UK put forward on February 14/57, in connection with their new overall defence plans, certain proposals regarding the future pattern of their forces on the mainland of Europe placed under the command of SACEUR.

2. The Council took note of the opinions expressed thereon in NATO and also of the views of SACEUR.

3. The Council recognized that the problems facing the UK were, in fact, common to all members of the Alliance and that these common problems called for a common solution within NATO. The seven governments therefore agreed to recommend to the North Atlantic Council that they study urgently the proposals made by the German Chancellor

for a new overall review of the resources of the Alliance covering (a) military requirements and defence aims, (b) relationship between conventional and atomic forces and weapons, (c) relationship between modern armaments and economic and financial resources, (d) common production of modern weapons, (e) common solution of currency problems arising from the stationing of troops in other member states.

4. The UK government pending the result of this review by NATO, will carry out their plans for 1957/58 having regard to SACEUR's views. This will mean a reduction of 13,500 men, of which the vast majority will be administrative and anti-aircraft troops.

5. Any further reductions, and the question of the location of the "strategic reserve" of 5000 men referred to in SACEUR's report, will only be decided in October 1957 after new discussion in WEU in conformity with Article VI of Protocol II of the Paris agreements and in the light of the abovementioned review.

599. DEA/50110-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM DL-356 Ottawa, March 23, 1957

SECRET. IMMEDIATE.
Reference: Your Tel 469 Mar 20/57.†
Repeat London, Washington, Bonn, Paris (Immediate) (Information).

UK REDUCTION OF FORCES — WEU CONCLUSIONS

1. We have now had occasion to examine interdepartmentally the WEU conclusions both for the purpose of the coming Bermuda meeting and for the NATO meeting next Tuesday.

2. You will find in my immediately following telegram† the text of that part of the Bermuda brief in which is outlined the Canadian position on the general principles involved in the UK proposals and on the specific WEU conclusions.

3. For the specific purpose of the NATO discussions the interdepartmental position may be summarized as follows: (a) the Canadian government welcomes in principle the fact that agreement was possible in WEU on the UK proposals; (b) the Canadian government considers the WEU conclusions in the present circumstances as generally acceptable and would be prepared to join the other NATO members in approving them, but; (c) we have noted that the opening sentence of paragraph 3 of the WEU conclusions was taken from the original German proposal where the meaning, because of the clarifying sentence, was subject to a less ambiguous and disquieting interpretation. We regard as a fair statement the German wording (that all members are faced with the same problem of reconciling the high costs involved in the equipment of their forces with modern weapons with their economic and financial resources). On the other hand we fear that the WEU wording (that the problems facing the UK are common to all members and call for a common NATO solution) may constitute an invitation for other members to copy the UK. We would therefore wish to see paragraph 3 of the WEU conclusions modified along the lines of the corresponding paragraph in the original German proposal, or failing this that its exact interpretation on the basis of the German proposal be duly placed on record during the NATO

F13

discussions; (d) with regard to the various points on which an urgent study is recommended in paragraph 3 of the WEU conclusions we have no basic objection to the general idea provided it is understood by all that points (a) and (b) are those which have already been covered to some extent during the preparation of the political directive, and that point (e) refers to a study in NATO of the nature of the currency problems, as distinct from an actual solution of the problems. We believe that there is indeed a distinction to be made here since it does not seem to us that NATO is the proper forum for seeking such a solution once the problem has been outlined. We believe that currency problems are usually best solved, as experience has shown, on the basis of bilateral negotiations. As to the study of points (c) and (d) we presume that the recently established Committee of Economic Advisers, strengthened as required by appropriate financial experts, could be useful in examining some aspects of these questions.

4. We have noted your comment concerning the choice of October as the time when further reductions by the UK could be considered by WEU. Since the normal Annual Review process is not completed before December it would be a question of either requesting WEU to change the date selected or for NATO to hasten the process of ministerial consideration of the Annual Review. You will recall previous suggestions for a meeting of Defence and Finance Ministers in October of each year in order to consider the results of the Annual Review before governments have made final decisions on their defence planning and their budgets. We would be quite prepared to go along with the proposal for such a Ministerial meeting in October if this would prove helpful in hastening the Annual Review process, and if it were acceptable to the other member governments.

5. Since it is difficult at this end to assess how the discussion will actually develop in the Council this week we must leave it to you to decide the timing and form of an intervention on the basis of the above comments. Our primary objective in any case should be it seems to prevent the resumption of a full dress discussion on the innumerable issues covered by the WEU conclusions. On this basis we think there is much to be gained by hastening the acceptance by the Council of the WEU conclusions as long as an understanding can be reached as to the implications of the more ambiguous parts of the conclusions. The attitude of the German and French delegations in particular will no doubt determine to a great extent the timing and nature of our own intervention.

6. We shall not fail of course to let you have as soon as possible a report of what may emerge on this subject at the Bermuda talks.[63]

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[63] Pour obtenir un compte rendu des discussions qui ont eu lieu à ce sujet aux Bermudes, voir le document 735. Après un certain nombre de longues délibérations procédurières, le Conseil de l'Atlantique Nord a convenu, le 13 avril, d'entreprendre les cinq études demandées par le Conseil des ministres de l'Union Européenne de l'Ouest (UEO).

For the record of the discussion of this subject in Bermuda, see Document 735. After a number of lengthy procedural discussions, the North Atlantic Council agreed on April 13 to undertake the five studies requested by the WEU Council of Ministers.

600. DEA/50030-AB-5-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 640 Paris, April 15, 1957

SECRET

Reference: My Tel 634 Apr 13.
Repeat London, Bonn, Washington (Information).

UK REDUCTION OF FORCES

At Friday's meeting of the Council, and at the Joint Meeting of the Council with the Standing Group on Saturday, there was further discussion of the procedural aspects of the WEU conclusions and the manner in which the examination of the German proposals should be carried out. As a result, this phase of the Council discussions may now be regarded as completed.

2. Points (a), (b) and the military aspects of (c).

The main point at issue was to find an appropriate formula which would ensure that military advice from the constituted NATO military machinery would be available to the Council without, however, prolonging the exercise unduly. The difficulty, of course, arises from the fact that, while Norstad is asked to assume personal responsibility for his replies to the German points, at the same time his views cannot be divorced from those he holds as SACEUR. There were no fundamental divergences of views in the Council however, as it is recognized that in conducting this exercise, Council should take into account military advice expressed through the usual channels. On the other hand, if General Norstad's report were to be processed in the normal way by the NATO military machinery, it would be quite impossible to proceed with the necessary despatch. Agreement was therefore reached over the proposition that SACEUR's report will be sent simultaneously to the Council and the Standing Group in order that the military views may be introduced during the discussion by Council of General Norstad's report. Such an approach should also enable the Council to have the benefit of the views of the other Commands (SACLANT and CHANCOM), if this should prove necessary. In fact, the German points affect primarily SACEUR's command.

3. Agreement was therefore reached over the following course of action regarding points (a) and (b) and the military aspects of (c) of Annex to C-M(57)41.

4. The Council should invite the NATO military authorities to instruct General Norstad to prepare specific replies to points (a) and (b) of paragraph 3 of Annex to C-M(57)41, taking into account the military aspects of (c), and in the light of the general policy of the Alliance as approved by the Council. In framing these replies General Norstad should take into account Professor Hallstein's exposé (C-M(57)46) and any other questions submitted to him by or through the Council.

5. General Norstad's replies will be submitted simultaneously to the Council and to the Standing Group in order that the Council may commence studying it without delay. The Council's constitutional military advisers will supply their comments to the Council at the earliest possible moment.

6. I may add that speaking on behalf of the Standing Group (which he referred to as the executive agency of the Military Committee), Admiral Denny approved this proposed course of action which he thought was "a perfectly reasonable way of proceeding". He only hoped that General Norstad's report will not prevent the military from completing their final forces requirements paper in June in order that the Annual Review process may proceed on schedule. It was also agreed that any questions which governments may wish to put up to General Norstad, in addition to those already formulated by the Germans, should be available before April 24. These questions will be addressed to the Secretariat which will circulate them to delegations. If within a week, no objection has been raised in Council by other delegations, they will be considered suitable for forwarding to General Norstad.

7. Points (d) and (e).

The German Representative proposed at the outset that the Economic Advisers Committee should draw up appropriate terms of reference for dealing with this matter. Once this had been done, governments would be in a better position to decide on the personalities who should be appointed. The USA Representative thought that the task of the Committee should primarily be to recommend procedures and define more precisely the manner in which these problems should be approached. (After the meeting, Perkins elaborated somewhat on the views he had expressed. What they have in mind is to have the Committee conduct a rapid factual examination of the problems involved and to suggest that a group of independent arbiters be appointed to make appropriate recommendations. This flexible formula meets, on the one hand, the desire of the Germans to appoint a group of independent experts and, on the other, ensures that use is being made of existing NATO machinery.) I reaffirmed our position on this point and said that as we saw it, the Committee's responsibility should be limited to examining, studying and defining the problems raised by sub-paragraphs (d) and (e) of the German proposals. The UK and Italian Representatives supported this approach. It was finally agreed that the Economic Advisers Committee would address itself to examining the problems in (e) and in (d) insofar as relevant to (e), making procedural suggestions if deemed necessary. In order to speed up its work, the Committee will not be bound to present an "agreed" report to Council, it being understood that reconciliation of views will be effected in Council. The Committee will probably hold its first meeting towards the end of this week.

[L.D.] WILGRESS

7e PARTIE/PART 7

CHYPRE
CYPRUS

601. DEA/50141-40

Note du sous-secrétaire d'État aux Affaires extérieures[64]
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs[64]
to Secretary of State for External Affairs

SECRET Ottawa, March 22, 1956

POLITICAL CONSULTATION IN NATO-CYPRUS

1. My memorandum of January 23† contained a critical examination of United Kingdom policy on Cyprus and was prompted by our concern at the prospect of the grave consequences which would attend an indefinite prolonging of the dispute. Sooner than we could possibly have feared at the time, these consequences now seem to be emerging at present realities. The sudden deterioration of the situation was precipitated by the expulsion of Makarios, together with three of his associates, following the breakdown of the negotiations which at an earlier stage had appeared to hold some promise of yielding a satisfactory solution. (A summary of the course of these negotiations is attached as an appendix.†) However well the United Kingdom is able to document its case to prove the complicity of Archbishop Makarios in the terrorist activities of EOKA, it is hard to see how his expulsion can possibly advance the United Kingdom's cause, even in Cyprus itself; within the broader context of the United Kingdom's international relations the move is surely a serious blunder. While one can fully sympathize with the United Kingdom's desire to see order on the Island reestablished as quickly as possible, the sudden removal of Makarios, in addition to provoking a new wave of terrorism, has resulted in a spontaneous general strike throughout Cyprus — which incidentally will render the Island practically impotent as a military base as long as it lasts — and has set off a violent reaction in Greece. You will have seen that our Ambassador in Athens has reported that his British colleagues consider the move to have been ill-advised and ill-timed, an assessment with which one can only whole-heartedly agree.

2. The extent of the strain which this latest turn of events will impose upon Anglo-Greek relations (and also to a lesser extent on Greek-Turkish relations) is incalculable. The Greek Government has been faced with strong pressure from the church advocating a complete rupture of diplomatic relations and have compromised for the time being by recalling the Greek Ambassador in London for consultations in Athens. On the political front the Democratic Union which so very nearly succeeded in unseating Mr. Karamanlis less than a month ago has been provided with a new rallying cry and will not be slow to exploit the situation to the full. However reluctant he may be to give ground before the extremists' demands, Mr. Karamanlis, realizing that his political future is at stake, will have to take a strong line in acting as spokesman for an angry populace. Those elements in Greece which have been attacking their country's "encumbering" alliances and have advocated the adoption of a "neutralist" stand will become still more vocal and find, at least temporarily,

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[64] Ce mémoire a été envoyé au ministre en annexe au document 336.
This memorandum was sent to the minister under cover of Document 336.

broader general support. The Soviet Ambassador in Athens, who recently has been very active in cultivating the neutralist tendencies in Greece, will doubtless find the present situation much to his taste. This will be perhaps one of the most distressing long-term aspects of the Archbishop's expulsion: the opportunity which it gives the Soviet Union for effective propaganda against the West, though it must be added that up to now the USSR has not exploited it, no doubt because of the forthcoming visit of Khrushchev and Bulganin to London.

3. Turkey's support of the United Kingdom move will widen the gap between Turkey and Greece and will make it impossible for the time being for Mr. Karamanlis to fulfil his pre-election promise to the Turkish Ambassador that, if he was successful at the polls, he would forthwith undertake the re-establishment of normal relations between their two countries. The ministerial meeting of the Balkan Alliance is therefore as far off as ever. Indeed the Yugoslav Ambassador told Mr. Ford he considered that the Balkan Alliance had now very little chance of being revived.

4. It seems incredible that the United Kingdom should have been unaware of the storm which their move would raise. At the moment it rather looks as if they were prepared to jeopardize Greece's role in the defence of the Eastern Mediterranean rather than do anything which might alienate Turkish opinion or might be construed as a hesitation on their part in dealing with an inflammatory situation affecting their position in the Near East.

5. If the United Kingdom's deportation of the Archbishop was ill-timed, the message of "sympathetic concern" addressed by the United States to the Greek Government was scarcely less so. It brought into public view what can only be interpreted as disapproval on the part of the United States of the United Kingdom's handling of the situation and supported the supposition that a sharp difference of opinion exists between the two powers over the ultimate importance of Greece to Western defence. The United Kingdom's announcement that it would seek an explanation of the United States intervention did little to remedy the situation. Although the subsequent reply by the United States has eased the tension in this quarter to some extent, the whole incident was deplorable, revealing openly as it did the lack of unanimity between the two NATO leaders on an issue with vital implications for the Western defence system.[65] Although domestic politics no doubt played a role in the US action one can only hope that it was primarily prompted by a desire to prevent a revulsion against NATO on the part of the highly emotional Greeks.

6. Greece has asked the Secretary-General of the United Nations for a re-opening of the Cyprus issue at the forthcoming session of the General Assembly. A renewed appeal by Greece to the United Nations will place in a very difficult position those countries which with Canada supported the United Kingdom in opposing inscription of the issue on the agenda of the ninth and tenth sessions. In the circumstances it appears quite probable that the United States might wish to revert to its earlier attitude and support the inscription of the issue. In view of the failure to reach a settlement by negotiation, Canada's previous argument that an Assembly debate on the problem would do more harm than good would no longer carry much conviction.

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[65] Pour obtenir un compte rendu des discussions entre le Royaume-Uni et les États-Unis concernant Chypre, voir United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume XXIV, Washington, D.C.: United States Government Printing Office, 1989, pp. 347-348.
On the exchange between the United Kingdom and the United States over Cyprus, see United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume XXIV, Washington, D.C.: United States Government Printing Office, 1989, pp. 347-348.

7. There remains the possibility that something constructive might be accomplished by a full discussion of the problem in the North Atlantic Council. You will have seen that on March 14 the Greek representative broached the issue by reading a prepared statement on Cyprus. The upshot of the ensuing discussion was that Lord Ismay agreed to consult with the interested parties and his other colleagues to determine what action the Council might appropriately take on the matter. Two crucial questions emerged in the discussion following the Greek representative's statement. The first concerned the procedural issue and turned on whether the Council was justified in discussing Cyprus at all. If it was, the second point to be settled concerned the objectives and aims which the Council should set itself in its discussion of the matter.

8. With respect to the first point our position has been up to now that inter-member disputes should only be discussed in the Council with the full consent of the parties involved. Subject to this proviso, I think that there can be little doubt not only of the Council's competence but also of its duty to discuss Cyprus, since the dispute, so long as it continues, will have the most adverse repercussions on the unity, effectiveness and prestige of NATO itself. It is well within the realms of possibility that the new turn for the worse taken by the dispute might result in the complete suspension of Greece's co-operation with its NATO partners, if not the complete and formal severance of its NATO connection. This threat is of immediate and vital importance to all NATO members and presents an overriding argument in favour of a full discussion of the problem by the Council as a whole.

9. If this is admitted, what are the positive objectives and advantages which might be attained from an exhaustive debate of the issue in the Council? One must preclude at the outset the idea that the Council might work out itself a political settlement on the lines which the Greek Government would probably like to see, i.e. the formal incorporation of Cyprus as part of the NATO defence system. If the discussions were approached with such an objective in mind they would founder at once on United Kingdom and Turkish opposition. The United Kingdom conceives the strategic importance of Cyprus as going beyond its value to NATO defence of the Eastern Mediterranean; it regards the assured and unfettered use of bases and facilities in the Island as vital to its own national obligations and interests in the Middle Eastern area. Telegram No. 369† from Mr. Wilgress hints that the UK may be open to persuasion on this. On the other hand, Sir Anthony Eden went so far in the House of Commons as to say that the "welfare and indeed the lives of our own people depend on Cyprus as a protective guard and staging post to take care of these interests, above all, oil."

10. I think the following are the main advantages which might be gained from frank discussions of the issue in the Council:

(1) They might serve to overcome one of the most serious effects of the dispute, viz. the sense of isolation which it has engendered in Greece, the feeling that its NATO partners are indifferent to Greece's interests and aspirations with respect to Cyprus. This feeling of isolation was aggravated after the September riots when virtually the sole recognition which any of Greece's NATO partners took of the situation was extended in the identic message sent by the United States to Greece and Turkey, which seemed to imply that the United States considered both countries to be equally culpable.

(2) NATO discussion of Cyprus would help to remove the impression in the Greek mind that its NATO partners regarded the dispute as involving only Greece, the United Kingdom and Turkey, and were prepared to condone whatever action the United Kingdom undertook in handling the problem.

(3) By bringing to the fore the harmful effects which the Cyprus issue was having on the solidarity of the West at a time when the Soviets are showing considerable adroitness in their efforts to weaken NATO, both Greece and the United Kingdom might be brought to a more conciliatory and constructive attitude in their dealings with one another. By placing the problem in this wider context, which would show Greece (and the United Kingdom) the importance which other NATO members attach to Greece's participation in the Organization, an atmosphere might be created in which bilateral negotiation between the two parties could be resumed with a better understanding on both sides of each other's point of view, and hence with a better chance of success.

(4) The introduction of a general discussion in the Council would present the United Kingdom and the United States with the necessity of resolving, outside the Council, any differences of opinion which may exist between them regarding the handling of the dispute and provide an opportunity for them to co-ordinate their approach.

(5) It might just be possible that the Council's discussion of Cyprus could head off a renewed debate of the issue in the United Nations. Up until now Cyprus has not been dealt with in the United Nations as a "colonial" problem, because the traditionally "anti-colonial" powers have reserved their fire for those issues where African or Asian peoples are involved. Cyprus might finally be taken up as a colonial issue, and certainly the Soviet Union will try to exploit the situation from this point of view in order to further enhance its role as a champion of anti-colonialism. The Belgian representative at the March 14 meeting stressed the desirability of keeping Cyprus out of the United Nations and suggested that the next Ministerial meeting would be a good place for NATO to wash its dirty linen *en famille*. You may recall that at the time of the September riots, Mr. Spaak expressed himself as strongly in favour of the North Atlantic Council being used as the forum in which to discuss Cyprus. A distinction might usefully be drawn, however, between discussions in the permanent Council, for the exchange of information and views, and discussions in ministerial revisions of the Council, which would seem unlikely to be helpful unless positive proposals were under consideration.

11. To sum up, talks in the NATO Council on Cyprus should, if undertaken, be aimed at strengthening Greece's wavering NATO connection and at creating an atmosphere of mutual understanding which would permit the resumption of negotiations between the parties involved. It would be unwise, however, to regard the discussions, at least in the earlier stages, as a prelude to some sort of NATO settlement to be worked out within the Council itself.

12. These are all, however, rather negative aims; but if the serious weakening of the NATO alliance in the Eastern Mediterranean is to be stopped, something more positive should be contemplated. Mr. Robertson's telegram No. 306 of March 15,† indicates that to his way of thinking the British were precipitate in breaking off the negotiations with Makarios, great though the provocations undoubtedly were. In particular he thinks that the Cypriots were justified in being slightly skeptical of the nature of the constitution promised them. If we assume that the UK cannot indefinitely run against history by holding unto the island by force alone, then I think NATO should try to work out on a general basis a settlement which has proved impossible on a UK-Cypriot-Greek basis.

13. For this purpose Lord Ismay's proposals seem to me an imaginative start. They are:

(a) A commission would be formed of three constitutional experts to be nominated by each of the three parties from among nationals of NATO countries not directly involved (possibly Italy, Netherlands and Denmark).

(b) Acceptance of its responsibilities would be conditional upon the restoration of order in Cyprus and of an undertaking by the Greek Government to desist from inflammatory broadcasts.

(c) When the procedure had been accepted fully by all parties, Makarios would come back to Cyprus, provided that he also accepted the proposed procedure. You will recall that very similar proposals were advanced in the House of Lords by the Archbishop of Canterbury.

14. This in itself is probably not sufficient to lead to a settlement. Sir Christopher Steel has hinted that NATO might eventually assume some kind of "trustee" responsibility for Cyprus, perhaps eventually taking over the defence installations in Cyprus. The internationalizing of the responsibility for the island might provide sufficient balm for Greek pride to permit a gradual return to normal life, and heal the rift between the three countries.

15. A solution of this nature would require, however, careful preliminary soundings outside the Council, before it could be brought formally before the Ministerial meeting. In the meantime, if there are to be further discussions in the permanent Council they should, in my opinion, be aimed at strengthening Greece's wavering NATO connection and at creating an atmosphere of mutual understanding which would permit the resumption of negotiations between the parties involved.

[J. LÉGER]

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602. DEA/50141-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET [Ottawa], April 5, 1956

CYPRUS AND NATO

Yesterday afternoon Mr. Robin Ross of the United Kingdom High Commissioner's Office called on Mr. Ford to ask, on instructions, whether we were thinking of discussing Cyprus at the Ministerial meeting of the NATO Council next month. Mr. Ross cited a report which the *London Times* correspondent in Washington had sent after the White Sulphur Springs talks last week, to the effect that Cyprus and the Middle East had "dominated" the conference and that you had foreseen "that the NATO Council might be asked to exert its mediating influence in the Cyprus dispute". The *Times* clipping is attached.[66]

2. Mr. Ford replied that the *Times* report gave a quite erroneous impression. He said he understood that you had not discussed with Mr. Dulles the question of Cyprus as such, although you had spoken of the need to have a discussion at the next Ministerial meeting of the NATO Council of the major political questions affecting the alliance.[67]

3. Mr. Ross then went on to explain the United Kingdom position, which he said Mr. Pritchard hoped to put to you directly within the next day or two. (I understand he is to see you today at four p.m.) The United Kingdom Government was firmly opposed to any

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[66] Voir/See *The Times*, March 31, 1956, p. 6.

[67] Note marginale :/Marginal note:
I confirmed this with Mr. Pritchard. [L.B. Pearson]

NATO intervention, whether by way of an attempt to mediate in the negotiations or to substitute the authority of NATO in Cyprus for that of the United Kingdom. The United Kingdom Government would prefer, for this reason, to avoid any NATO discussion of Cyprus, since it might lead to attempted intervention.[68] If the Greek representative at the Ministerial meeting next month insisted on making some sort of statement, the United Kingdom Government would not of course oppose this, but hoped that discussion could be kept to a minimum, as when the Greek representative on the Permanent Council had presented his Government's views in his statement of March 14. So far as the United Kingdom was concerned, a private discussion of Cyprus in NATO was to be preferred to another debate in the United Nations but since no solution seemed likely to emerge from NATO consideration of Cyprus, the Greeks would hardly agree to take Cyprus off the UN agenda in exchange for a NATO discussion. From the point of view of the alliance as a whole, even a NATO discussion — and still more the failure of a NATO attempt to mediate or "solve" the Cyprus question — could only have an adverse effect on Greek public opinion which was already dubious of the value of the NATO alliance.

4. As you know from my memorandum of March 27† (copy attached), the Turkish Ambassador came to see me last week to impress upon us the unwisdom of even discussing Cyprus in the NATO Council. I am not impressed by these Turkish and United Kingdom arguments. A NATO discussion, though abortive, would surely have a less harmful effect on the attitude of Greece towards NATO than the failure of NATO to discuss the issue of prime concern to the Greeks.[69]

5. For that reason alone I believe we must not try to prevent or curtail a NATO discussion at the Ministerial Council.[70] Nothing in any event can prevent the Greeks from raising the question under the agenda item "Review of the Current International Situation". We have not heard directly of the intentions of the Greek government but Premier Karamanlis is reported this morning as having told the Greek Parliament that his Government is "determined to make use of every political and procedural method to achieve a settlement of the Cyprus problem".

6. Judging from reports so far received in the Department, the Belgians and Italians will strongly support a discussion in the Council, in spite of Turkish and United Kingdom opposition. There will therefore be a discussion; and, as far as we are concerned, this is all to the good. It would be totally unrealistic and damaging to the concept of political consultations in NATO if the Council met and did not discuss Cyprus. It would also be harmful to the supporters of NATO in Greece if the Greek representative's formal statement fell on stony silence. So the best, as well as the most likely solution is for a discussion to take place in the Council, though with a minimum of publicity since we cannot expect or even attempt any solution in present circumstances through the medium of NATO. There should, in other words, be discussion but not intervention.[71]

7. In any case, in view of the United Kingdom Government's negative approach to this issue, I now think it would be difficult for Canada to press for a Council discussion or

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[68] Note marginale :/Marginal note:
Mr. Pritchard was milder in his expression of UK opposition to any discussion. Instead he agreed it might be unavoidable as opposed to intervention [L.B. Pearson]

[69] Note marginale :/Marginal note:
I agree and so told Pritchard. [L.B. Pearson]

[70] Note marginale :/Marginal note:
unless the Greeks themselves can be persuaded to forego any discussion [L.B. Pearson]

[71] Note marginale :/Marginal note:
I agree [L.B. Pearson]

attempt to put forward any solution.[72] In addition to United Kingdom and Turkish representations, Mr. Wilgress has cautioned against any NATO intervention (his telegram No. 478 of April 3† is attached for convenience of reference).

8. It is still our opinion that the United Kingdom Government acted unwisely in deporting Archbishop Makarios and that further patience in the constitutional negotiations might finally have been rewarded. Even now the gap between the Archbishop and the United Kingdom Government is not great on paper, although the actions of the United Kingdom have, I think, nullified any prospects of early agreement.[73] It is not inconceivable that the United Kingdom Government may later change their minds about the possible usefulness of NATO as a face-saving means of reopening negotiations — or even of providing for a temporary custodian's role in the planned evolution of the island towards self-determination and self-government. At present, however, I feel that the most we should do is to give Greece the hearing she will presumably want at the May meeting of the Council, and to discuss the prospects with the parties concerned *outside* the Council meetings. There seems to be neither the time, the privacy nor the conditions for a "NATO solution" to the Cyprus question next month, though no one can deny the great political and strategic importance of the question for the alliance as a whole. Given a more forthcoming and imaginative attitude on the part of the United Kingdom Government on this issue, there might have been a more positive role for NATO than seems possible at this time.

9. I do not know whether you will agree with the foregoing analysis which has been rather hastily prepared in order to reach you before Mr. Pritchard sees you this afternoon. Perhaps our next step should be to bring Mr. Robertson up to date and seek his advice. If you agree I shall send him the recent papers prepared for you on this subject in the Department, and ask for his comments in preparation for the discussion I expect will be initiated by the Greeks at the Ministerial Council next month.[74]

J.W. H[OLMES]
for Under-Secretary of State
for External Affairs

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603. DEA/50141-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM DL-749 Ottawa, May 7, 1956

SECRET

Repeat Athens, Greece, Canac, Paris (Information).

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[72] Note marginale :/Marginal note:
I told Pritchard that we would not take any initiative in the matter [L.B. Pearson]

[73] Note marginale :/Marginal note:
I also made this point — though admitted that the UK could not yet be expected to appreciate it — or until their policy of forced restoration of order had broken down. [L.B. Pearson]

[74] Note marginale :/Marginal note:
Yes. I agree with this above analysis. I also tried to impress on Pritchard the desirability of preparing in advance for any discussion if one is in fact going to take place: they should talk to their friends in Washington and London about this. [L.B. Pearson]

CONVERSATION WITH MR. THEOTOKY, GREEK FOREIGN MINISTER

Theotoky, the Greek Foreign Minister, came to see me in Paris before I left Sunday to tell me about his private talks with Selwyn Lloyd and Koprulu on the Cyprus question.

2. He was concerned about the signs of disunity already evident in the Alliance and for that reason had refrained from raising the Cyprus issue in the Council. If the issue however remained deadlocked, the Greek Government was determined to bring the matter before the U.N. at the fall session of the General Assembly, although they realize that this would be exploited by the Soviet Union. The only sensible way out was for the British to resume negotiations with the Greek Cypriots and in this connection he made it clear that Makarios could be the only person who would be in a position to negotiate.

3. After reviewing the background of events leading up to the present deadlock, he outlined the Greek position on the main points on which the negotiations have broken down as follows:

(a) *Amnesty*: The Greeks do not see how the British could insist on partial amnesty once they had decided that an offer of amnesty should be made to restore law and order; the offer had to be comprehensive to put an end to violence.

(b) *Security*: The Greek Government realized that the Governor must have certain reserved executive powers but he should not have reserved legislative powers to govern by decree in an emergency which might make self-government fictitious.

(c) *Composition of the Legislature*: The U.K. Government should clarify its intentions so as to establish that Cypriots would be given real self-government in the period of transition and a time limit should be set for the attainment of self-government.

4. Theotoky assured me that it was his earnest desire to have good relations with the U.K. and that he had told Selwyn Lloyd that the Greek Government fully recognized British strategic interests in Cyprus. After all, the Greeks were also dependent on the supplies from the same sources as the British. He also indicated to Selwyn Lloyd that he would hope that, if the British Government decided to make a new offer and to resume negotiations, the Greek Government would be informed in advance of what was being proposed.

5. In speaking to Koprulu, Theotoky had stressed the need for Greek-Turkish cooperation especially in the interests of NATO and to prevent Soviet exploitation of their differences, but he had also emphasized that the Cyprus issue could not be indefinitely postponed.

6. He also emphasized to me the political difficulties which faced his government since they had pledged themselves to cooperate with NATO and were now unable to show any results in a matter of such deep political concern as Cyprus.

7. I told Theotoky that, although Canada was not directly concerned in the Cyprus issue and we were not anxious to accept any special responsibility, we were interested in seeing a solution arrived at both as members of the Commonwealth as well as of NATO. If there was anything we could do usefully through NATO or privately with the U.K., we would be glad to consider it though it was difficult to see what even the most well intentioned intervention from outside could accomplish at the moment. I indicated to him that I was glad that he had taken the occasion of the NATO Ministerial meeting to have these private talks with the British and the Turks.

[L.B.] PEARSON

604. DEA/50141-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 694 London, May 25, 1956

SECRET AND PERSONAL. IMMEDIATE.

1. When I saw Selwyn Lloyd on Wednesday, I told him that I had found everybody in Ottawa very worried and unhappy about the Cyprus situation. Their friends recognized the complexity of the problem with which the UK was compelled to deal, and were hesitant about proffering sympathy or advice. It was true the subject had not come up in the NATO Ministerial meeting, and it might not be raised directly at the forthcoming Prime Ministers' meeting, but it was undoubtedly very much in the minds of other governments who were closely associated with the UK.

2. Lloyd said that Harding appeared to be reasonably confident that persistence with present measures would restore law and order by the end of the year. Parenthetically, he observed that two or three months ago Harding thought the job might be accomplished in six months. Present intelligence information suggested that there were not more than 140 or 150 really desperate men in the EOKA cadres. His efforts were directed toward eliminating these men, destroying caches of weapons and explosives, and maintaining an effective blockade against gun-running into the island. The Governor saw some parallel between his problem in Cyprus and that which was being brought to a successful conclusion in Malaya. I got the impression that Lloyd didn't think the analogy a close one. He certainly recognized that the Malayan operation had been carried out in a vastly different international context and with the tacit support of the majority of the populace.

3. Lloyd was not complacent or reassuring about the situation. At the same time he found it difficult to see what the UK could do before it had put down terrorism in the island.

4. Lloyd said he was very much afraid of what the Turkish reaction might be to any major modification of present UK policies. He thought if the UK were to abandon Cyprus, the Turks might well try to occupy it by force. A strong Turkish Government, such as Ataturk's might have been able to contain the people's anger, but a weak Turkish Government, such as that now in office, beset by economic difficulties and harassed by popular feeling, might well feel compelled to take military action. Alternatively, if external action could be prevented, there was no reassurance that there would not be a recurrence within Turkey on a nation-wide and bloodier scale of last September's rioting in Istanbul. (Another view of these possibilities is taken by Sir Harold Nicolson in his letter to the *Times* of May 18.)

5. I had a word with Sir Michael Adeane on this general subject last evening. He is apprehensive about the way things seem to be going and thought that a private and direct approach to the Prime Minister might be in order.

N.A. ROBERTSON

DEA/50141-40

605.

Le secrétaire d'État aux Affaires extérieures au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs to High Commissioner in United Kingdom

TELEGRAM S-846

Ottawa, June 5, 1956

SECRET

Reference: The Minister's immediately preceding telegram No. S-845.†
Repeat Washington, Canac (Information).

CYPRUS

Following is full account of the conversation between the Minister and Lord Home. Begins:

2. Mr. Pearson began by expressing concern for very real and very difficult problems the United Kingdom faced in Cyprus. Lord Home acknowledged the difficulty. He said that the Chiefs of Staff were absolutely firm about the necessity of holding the base and implied that the principal purpose of the base was to protect the Middle Eastern oil fields. He emphasized also British responsibility for government and for tranquillity on the island. The British could not simply walk out and abandon the island to civil war which he was certain would follow. He was quite sure also that the Turks would carry out the threat they had made to the British of taking over Cyprus if the British withdrew. Lord Home wondered if it might be useful for the British who were responsible for government on the island to prepare a draft constitution which could be prepared not as a final document but one which could be considered with the Cypriots. He considered that the United Kingdom had gone very far in its final offer to Makarios of a constitution which would provide substantial self-government. The principal difficulty was that Makarios would not accept provisions which would guarantee the Turkish minority. He implied, however, that there might be room for some further negotiation. He said that the British would be very happy to have any suggestions as to how NATO might help to solve this question.

3. Mr. Pearson said that we were not trying to give advice and we fully recognized the difficulties. He did think, however, that NATO might be useful and that perhaps if the worst came to the worst and the security position did not improve during this year, the United Kingdom might be happy to have some assistance. Just as they had turned to the United Nations to help them in Palestine, they might wish, though not he hoped as precipitately, to turn this problem over to NATO for consideration. He thought that NATO would be better than the United Nations for this purpose. Mr. Pearson recognized that the constitutional question was a matter for the United Kingdom. It might be, however, that some NATO formula could be found for the base which was essential not only to the United Kingdom but to all of NATO. He referred to the concern on the part of our Ambassador in Athens over the effect of these events in Cyprus on the Greek Government. Since our Ambassador had expressed his concern the Foreign Minister whom Mr. Pearson had found a reasonable man had been replaced. The position of Greece was a threat to NATO. Mr. Pearson thought it difficult also for NATO to talk about improving its structure in developing consultation when we could not solve these problems among ourselves.

4. Lord Home mentioned that Blair Fraser had said to him that opinion in Canada was critical of British policy in Cyprus and asked Mr. Pearson if this was so. Mr. Pearson said

he thought that to some extent this was true. A good deal of the criticism might be attributed to lack of full knowledge and understanding of the question. It was based to some extent on a not very well defined feeling that the island was populated by people who wanted to be "free" and that they should be allowed to be. Ends.

[J.] LÉGER

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606. DEA/50141-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], August 29, 1956

CYPRUS

This memorandum is intended to provide you with an up-to-date picture of the Cyprus situation in view of the possibility that this question may be discussed informally in Paris.

A. *Latest Developments*

At the end of June, as you will remember, Turkey rejected the U.K. proposals for a settlement of the Cyprus problem because they provided, on certain conditions, for eventual self-determination, and the U.S. Government refused to support them because their implicit Turkish veto on self-determination would be unacceptable to Greece. The main features of these proposals were as follows:

(a) The United Kingdom Government would press ahead with the constitution and for this purpose Lord Radcliffe, as Constitutional Commissioner, would start consultations forthwith;

(b) it should be a condition of any change in the international status of Cyprus, that a defence agreement should be concluded between the United Kingdom, Greece and Turkey, terminable only by agreement between the parties, and providing for United Kingdom responsibility for the external defence of Cyprus and the use of facilities in the Island;

(c) a further condition of the change of international status would be a special treaty, safeguarding the interests of the minority racial groups;

(d) ten years after the Constitution took effect, the United Kingdom Government would be prepared to raise *in N.A.T.O.* the question whether a change in the international status of Cyprus would be compatible with the interests of western defence. If not fewer than *two thirds of the N.A.T.O. members* agreed, a plebiscite would be held. A two thirds majority would be necessary for a change in the international status.

2. The essential features would have been that the question of self-determination should not be raised by any of the three Governments directly concerned in the intervening period, and that all parties should cooperate sincerely in restoring and maintaining law and order in Cyprus. In view of the failure of the negotiations with Turkey (the U.K. apparently knew in advance that Turkey would not accept the new proposals but seemingly wished to cover itself by the latter's well publicized refusal and consequent equal share of responsi-

bility)[75] the U.K. decided to leave the intractable question of self-determination in abeyance and concentrate its efforts on the development of self-government and the drafting of a constitution by Lord Radcliffe. The latter's work was reported thwarted by local hostility when the news came on August 16 of a suspension of terrorism, much to the astonishment of world opinion, discomfiture of the Greek Ethnarchy and mixed — but not altogether unfavourable — feelings of the Greek Government. This move by EOKA may have arisen in part from a desire for a breathing-spell, in view of the increased number of U.K. troops in Cyprus, and in part from a decline of support by the Greek Cypriots.

3. On August 22, Governor Harding announced that the terrorists had three weeks within which they had to surrender with their arms: they would then be given the choice of deportation to Greece or standing trial in Cyprus for personal crimes. An amnesty for certain offences was also provided for. EOKA retorted that it would resume terrorist activities at midnight on August 27 unless the order to lay down arms was withdrawn. Harding's order has not been withdrawn and EOKA's hostilities have apparently been resumed, although we do not know yet to what an extent. Although the U.K. has good legal reasons to require the surrender of arms, it is questionable whether imposing such a humiliating condition on proud and fanatic "patriots" was a wise move. Disputable also is the wisdom, at this stage, of labelling Archbishop Makarios as the leader of EOKA's criminal activities. EOKA documents were allegedly seized very recently proving the Archbishop's guilt in inciting terrorist activities and even for the assassination of certain people. At the time of Makarios' deportation, the U.K. government published certain facts about his complicity in terrorist activities in justification of their decision to deport him and even considered bringing him to trial. The British have now explained that, at the time of the Archbishop's expulsion, it was not possible to publish full details for security reasons; the discovery of new evidence however, coming as it does from EOKA sources, allegedly provides irrefutable proof of his guilt as the mastermind of all EOKA activities.

In my view, the British may simply wish to dismiss Makarios once and for all from the Cyprus parleys because he has refused to denounce violence on the island. It may be a sign that the U.K. Government is pretty sure of its own final victory, but by labelling Makarios a criminal it makes it almost impossible even in the future to negotiate with the man who, unfortunately, remains the key to the situation.

B. *Ways of Handling the Cyprus Stalemate*

As I mentioned above, the U.K. seems to feel confident that EOKA is in agony and therefore does not mind defying it. By a quick victory over EOKA, the U.K. may gain prestige as a law-enforcer in the eyes of many and may be willing to reopen negotiations with the parties concerned. In this respect, we have been informed by our Embassy in Athens that the U.S. Embassy in Ankara is reported to have been instructed by Washington to try, through informal conversations, to persuade the Turkish authorities to take a less obdurate and intransigent attitude towards the possibility of a compromise solution of the Cyprus problem. It is not known if the British are aware of this. Should terrorism again grow out of control, the U.K. may well have to defend its stand before the U.N. or refer the matter to N.A.T.O., despite its recently reiterated reluctance to do so. The Foreign Office has told Canada House confidentially that, as a last resort, they would contemplate partition of the island, with a U.K. enclave.[76]

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[75] Note marginale :/Marginal note:

This may well explain the reluctance of the UK to request USA support in Ankara. [L.B. Pearson]

[76] Note marginale :/Marginal note:

Mr. Lloyd mentioned this to me in London in July [L.B. Pearson]

(a) *United Nations Solution*

The U.K. is opposed, as you know, to a discussion of the Cyprus matter in the U.N. on grounds that it is a domestic affair.[77] On the other hand, the Greek Prime-Minister declared recently that, although he hoped the EOKA truce would place the U.K. in a position to end the Cyprus crisis, the Greek Government still intends to press its claim in the U.N.; the Greek Government's intention is probably made bolder by Washington's recent diplomatic assurances to it that the U.S. Government has not yet come to any decision regarding its attitude towards the raising of the Cyprus question in the U.N. and believes that circumstances affecting its policy might alter considerably before the Assembly meets. This U.S. assurance somewhat relieves the Greeks from the utter feeling of despondency that seized them when the U.K. declared that Turkey's refusal of the latest proposals made impossible any U.K. concessions towards Cypriot independence.

It may be worthwhile to mention that the Nationalist Chinese Ambassador in Athens has gathered the impression, from a conversation with Foreign Minister Averoff, that Greece's stand on the admission of Communist China to the United Nations Organization may be influenced by Nationalist China's own vote on the Cyprus issue if and when it is discussed by that body.

Our Ambassador in Athens suggested last month that, should the Greeks remain intent upon laying the matter before the U.N., it might be possible to turn this to advantage by bringing about a resolution, subject to the prior agreement of the parties concerned, which would set up a fact-finding commission, to report at a convenient date, but without recommendation or passing judgment. Another fiery, and probably useless, debate would thus be avoided and more time made available for a practical solution. We are examining this suggestion but are not inclined to believe it would be a wise move.

(b) *NATO Solution*

There is not much I could add to the contents of my Memo of June 8† on this subject (copy attached) except for the following developments. The Greek Foreign Minister recently told the Dutch Ambassador, as the latter reported in strict confidence to Mr. MacDermot, that he had been giving a great deal of thought to the problem of placating Turkey and in some way inducing it to yield to some extent on its absolute and immovable stand towards a change in the status of Cyprus.

4. Evidently assuming an intermediate stage during which some kind of self-government constitution would be introduced, Averoff said that if Enosis came to be the declared policy of the Cypriots, his Government would be prepared to under-write publicly in NATO the following commitments:

(a) Complete independence and autonomy for the Turkish minority in educational and religious matters.

(b) Double nationality for all Turkish inhabitants in Cyprus which would allow them to carry either or both Turkish and Greek passports.

(c) Exemption from military service of all Turks in Cyprus for 50 years. All these provisions would be placed under the control of an international or U.N. commission to which there would be an immediate right of appeal in the case of failure of the Greeks to carry out the agreement.

(d) The grant to the United Kingdom in perpetuity of a military base on the island.

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[77] Note marginale :/Marginal note:

It may be changing its position on this. [L.B. Pearson]

(e) The creation of Cyprus as a free port for Turks and Greeks.

(f) The maintenance of imperial preference for the island for between 30 to 50 years.

Averoff asked the Dutch Ambassador if he would put this forward to his Government with a view to their approaching Lord Ismay to see if this could be raised in N.A.T.O.

The Dutch Government is reluctant to become involved and has instructed its Ambassador to tell the Greek Foreign Minister that if the Greek Government can guarantee and carry out the curbing of radio and press excesses of expression, and are prepared to commit themselves to an official support of these proposals, the Dutch would give consideration to ways and means of raising it in N.A.T.O.

As the Dutch Ambassador recognized, the plan outlined by Averoff raises as many problems as it seeks to solve, but it appears to carry the matter a step forward at least in one respect, namely that the Greek Government is prepared to assume responsibility for backing with its own authority a solution for Cyprus, something that they have hitherto carefully refrained from doing.

It was quite obvious that neither the Dutch Government nor its Ambassador were at all enthusiastic about the plan, but in view of the despair now professed by the Greeks they seem willing to make an effort to advance Averoff's ideas on a tentative and exploratory basis, if their position can be satisfactorily safeguarded and if there is any hope whatever that their intervention might lead somewhere.

If the political consultation provided for in Para. 4 of the N.A.T.O. Treaty has any meaning, the Cyprus question offers a good opportunity of showing it. Also, if more and more emphasis is to be put on N.A.T.O's. political role, a solution, or at least discussion, of the Cyprus problem by N.A.T.O. would be a step towards that goal. Although the British still say that there would be a real danger of fatally disrupting unity of the N.A.T.O. Alliance if it became too closely associated with the Cyprus dispute, they have also stated that they have never excluded the possibility of using N.A.T.O's. good offices at an appropriate stage (see the U.K. proposals to Turkey, para. A(d) above). Incidentally, you will remember that Cyprus' strategic importance in helping the U.K. to carry out its N.A.T.O. obligations and maintain order in the Middle-East was one of the reasons given by the U.K. Government for keeping the island: the U.K. may have wished to emphasize this importance by accepting, as the press has just reported, a French request to station troops on Cyprus in case of trouble in the Suez Canal area, located some 250 miles south of Cyprus.

Our Ambassadors in Athens and Ankara have reported that both Turkey and Greece intend to remain within N.A.T.O. notwithstanding the outcome of the Cyprus stalemate, and therefore I think the U.K. fears are exaggerated. I continue to believe, however, that it would be inappropriate for Canada to suggest that N.A.T.O. become directly involved in the Cyprus question unless we were to have a clear indication that the three powers principally involved were in favour of this.

N.A.T.O. participation in negotiations leading to a settlement of the Cyprus problem may be futile, even obnoxious as the British contend, as long as the attitude of the parties concerned is governed exclusively by deep-rooted egocentric or emotional motives. However, a joint discreet and tentative approach by the N.A.T.O. partners not involved, aimed at bringing the parties concerned to more reasonable dispositions, might be a worthwhile preliminary step. When and if this is achieved, the partners concerned might choose to resume negotiations on their own or through N.A.T.O. The difficulty at the present stage seems to be that the psychological conditions required of the Cyprus disputants for a resumption of negotiations on their own are exactly the same as those required of them for official N.A.T.O. discussions or negotiations concerning Cyprus. I am attaching in this regard an interesting study (letter No. 375 of July 18, 1956† from Athens) from Mr. MacDermot commenting on our attached memo of June 8 on "Cyprus and N.A.T.O.".

J. L[ÉGER]

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607. DEA/50141-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], December 19, 1956

CYPRUS — RADCLIFFE REPORT

Mr. Lennox-Boyd will unveil in the House of Commons in London this afternoon the Radcliffe Report outlining what has now become the United Kingdom government's proposal for a new constitution for Cyprus.[78] Mr. Belgrave of the United Kingdom High Commissioner's Office brought us this morning the text of Mr. Lennox-Boyd's statement and a summary telegram outlining the Radcliffe proposals. The full report of Lord Radcliffe was given to us by Earnscliffe at the end of last week. These documents are attached.

2. I will not repeat here the Colonial Office summary of the proposals. I should however, like to make a few preliminary comments which, if you agree, we shall pass on to our Delegation in New York, to our NATO Delegation, and to our other missions concerned.[79]

3. In the first place, it is clear from reading the documents and from what Mr. Belgrave told us that there is very little prospect of the Greek Government accepting the new proposals as a basis for a negotiated settlement of the Cyprus question.[80] According to Belgrave, the State Department have assured the British Embassy in Washington that they will do their best in Athens to persuade the Greek Government not to reject the United Kingdom proposals out of hand. However, we have already had an AFP press report from Athens, when Mr. Lennox-Boyd was there on December 14, indicating that the proposals were unacceptable to the Greek Government. There is, as Mr. Belgrave agreed, no need for United States representations in Ankara since the private reactions of the Turkish Government are sympathetic, though their public statements may be more critical.

4. Turkish favour — and Greek disfavour — are based not only on the very careful constitutional protection which Lord Radcliffe would give the Turkish minority but on the completely indefinite nature of the United Kingdom statement (to be made this afternoon in London) regarding self-determination. Mr. Lennox-Boyd is to say merely that:

> "Her Majesty's Government have already affirmed their recognition of the principle of self-determination. When the international and strategic situation permits and provided

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[78] Voir/See United Kingdom, Parliamentary Papers, Cmnd. 42, *Constitutional Proposals for Cyprus: Report submitted to the Secretary of State for the Colonies by the Right Hon. Lord Radcliffe, G.B.E.*, London: Her Majesty's Stationery Office, 1956.

[79] Note marginale :/Marginal note:
Yes [L.B. Pearson]

[80] Note marginale :/Marginal note:
see message† re my talk with Averoff in Paris L.B. P[earson]

that self-government is working satisfactorily, Her Majesty's Government will be ready to review the question of the application of self-determination.

"When the time comes for this review, that is, when these conditions have been fulfilled, it will be the purpose of Her Majesty's Government to ensure that any exercise of self-determination should be effected in such a manner that the Turkish-Cypriot community no less than the Greek-Cypriot community, shall in the special circumstances of Cyprus be given freedom to decide for themselves their future status. In other words, Her Majesty's Government recognise that the exercise of self-determination in such a mixed community must include the possibility of partition among the eventual options."

5. In view of the earlier indications we have received from United Kingdom sources it is perhaps rather surprising to find such a direct reference to the possibility of partition as an eventual solution. This, too, will please the Turks. Though the Greek Foreign Minister did not dismiss partition as a solution when you asked him about it in Paris last week, and though it may turn out in the end to be the only negotiable solution I think it is open to question whether the two principal communities on such a small island can be effectively segregated without disrupting the economic life of Cyprus.

6. The third comment I would make on the new constitution is that in only one respect does it go beyond previous offers; it does provide for two-thirds of the Legislative Assembly to be Greek-speaking, the remaining third being one-half Turkish and one-half appointed by the Governor to represent British residents and other minority groups. The Governor would retain entire responsibility for defence, external affairs, and internal security. He would have an implicit veto on legislation affecting other spheres of government as well, since it would be for him to decide whether such legislation was constitutional. The provisions regarding internal security and the Governor's veto (if we have understood the proposals correctly) would appear to represent a step backward from the position of the United Kingdom at the time that negotiations with Makarios were broken off at the end of February 1956.

7. United Kingdom delegation to NATO will to-day circulate copies of the United Kingdom proposals to other members of the Council. Mr. Belgrave explained that in doing so they were seeking to be guided by the report of the Committee of Three. They will inform their NATO colleagues that they are willing to continue to discuss the question of Cyprus with the Greek and Turkish Governments. They hope that if the NATO Council discusses Cyprus in the near future members will urge the Greek Government not to take a public position on the new proposals until the Cypriots and Archbishop Makarios have had a chance to comment upon them. This is the first indication we have had from the British that they are showing (or have shown) their proposals to Makarios — and this, at least, is a forward step.

8. From recent reports we have received, our impression is that the Greek Government, even before they were given an opportunity to study the new United Kingdom proposals, had probably come to the conclusion that their position in the new General Assembly and in Washington since Suez, was sufficiently favourable to justify them taking a stronger line. They see that a number of the Afro-Asian group, including all the Arabs, have swung to their side under the impact of Cyprus having been used as the main base from which the Suez attack was mounted. We have had indications from the Greek Embassy here that, possibly for this reason, the Greek Government may no longer be prepared to concede base rights to the United Kingdom Government in the event of a negotiated settlement providing for eventual union of the Island with Greece. Although the Greek Government might rationally estimate that the United Kingdom Government were almost bound in present

circumstances to avoid fresh concessions over Cyprus, the Greeks seem tempted to take advantage not only of the increased voting strength of the groups favourable to self-determination in the General Assembly but of the split between Washington and London on Middle East policy. In the light, therefore, of both the new United Kingdom proposals and the stiffer Greek position, it seems to us unrealistic to hope any longer to avoid a bitter debate on Cyprus before the end of the present session of the General Assembly.[81]

J. L[ÉGER]

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608. DEA/50141-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly, to Secretary of State for External Affairs

TELEGRAM 501 New York, February 7, 1957

CONFIDENTIAL. IMPORTANT.

Repeat London, Washington, Paris, NATO Paris (Information).
By Bag Athens, Ankara from Ottawa.

CYPRUS

We now have some indication of Greek tactics, gathered from conversations with members of the Greek Delegation.

2. The Greek delegate will start the discussion with a long statement à la Pineau and then table a resolution. The terms of it have not been decided on but its main point will be insistence on the application of the right of self-determination to the people of Cyprus. They have not finally decided whether or not they should include a request for UN intervention, or whether the latter should take the form of a request for renewal of direct negotiations between the UK and the Cypriots, or mediation by the Secretary General or some UN nominees.

3. The Greeks have made a strong plea for us to play a moderating role, and not to criticize Greece too strongly; to abstain, if possible, on the above resolution. They recognize we could never support it, but apparently think it is capable of receiving a majority of votes.

4. The Greek plea is along well known lines of reasoning. The government is very wobbly and cannot afford not to press the case of Cyprus strongly in view of the highly emotional state the Greek people have now reached on this issue. If the Cyprus vote goes against them, and particularly if all their NATO allies side with the UK and Turkey, then the Greeks are capable of doing something quite irrational such as turning out the Karamanlis Government, electing a Leftist Government, or even leaving NATO. These are arguments which the Greeks, of course, have been using for some time.

5. We told the Greeks that we did not know what our final position would be, but that a resolution couched in immoderate language calling for UN intervention would not in our opinion be a very wise move. We could certainly not support it. We suggested the advisa-

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[81] Note marginale :/Marginal note:

An accurate but depressing analysis L.B. P[earson] bility of considering a moderate resolution along the lines of the draft the Latin Americans were thinking of putting forward in the debate on Algeria. The Greeks did not think this would be acceptable to them.

6. We will try to secure the latest thinking of the UK Delegation, though it now seems improbably that Cyprus can be reached before the middle of next week.

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609. DEA/50141-401

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to United Nations General Assembly

TELEGRAM S-74 Ottawa, February 8, 1957

SECRET. IMPORTANT.
Reference: Your Tel 433 of Jan 31/57.†
Repeat London, Washington, Paris, NATO Paris (Routine) (Information).
By Bag Athens, Ankara (from London).

CYPRUS

The following summary of our present thinking and of recent developments since your commentary was prepared may be of use to you in private discussions.

2. As expected, the Greek Government has summarily rejected the Radcliffe constitution on the grounds that it seeks the continuation of a colonial régime and vests the Governor of Cyprus with arbitrary powers. The Greeks were not reassured by Lennox-Boyd's statement in the Commons, which was vague about the key question of self-determination and ignored any consideration of amnesty for Archbishop Makarios. The Turks regard the Radcliffe proposals as a reasonable basis for negotiations but are not satisfied with the safeguards provided for the Turkish minority. They have expressed some interest in the idea of partition. The general position of the UK on Cyprus is set forth in CRO telegram 351 of November 7, 1956, which you have on file and in CRO Tel Y-26 of January 25/57, which has been forwarded to you by bag.

3. At the time of inscription of the item, there was good reason to suppose that the Greeks would take every advantage of the hostile reaction to the British invasion of Suez in order to round up support from the Afro-Asian and other delegations for a strong resolution on self-determination for Cyprus. However, Foreign Minister Averoff has told our Ambassador in Athens that the Greek Delegation plans to present such a resolution only for internal reasons and would be prepared to support any mild resolution that would advance the issue in some degree. Later, perhaps, something might be accomplished through NATO (Athens telegram 5 of January 8/57†). Averoff's proposed tactics are spelled out in more detail in telegram 169 of January 23† from Washington DC, reporting that the Greek Foreign Minister suggested to the State Department a resolution calling for renewal of negotiations between the UK and the Cypriots and for a continuing UN Commission on Cyprus. The State Department would probably go along with a moderate request for renewal of negotiations but would not accept a substantive resolution or one involving a UN Commission.

4. Despite Averoff's apparent reasonableness it must be recognized that the special circumstances of this Assembly i.e. British involvement in Middle East hostilities and additional potential sympathizers among new Afro-Asian members create a favourable climate for the Greek case and it is hard to believe that they will easily resist the temptation to press it. A practical point which may partially offset the Greek advantage is that extended debates on the Middle East and on Algeria have postponed consideration of the Cyprus items until very near the target date for the close of the Assembly session. It may be, therefore, that the time factor will be a strong incentive to a short debate and a moderate resolution. Furthermore, if the Algerian item is disposed of by a resolution which the French can live with, the USA and others whose behind-the-scenes efforts will have been responsible for such a result presumably will feel impelled to render similar services to the UK on Cyprus.

5. It looks from here, therefore, as if there might still be a slim chance of getting by in the Assembly without making matters worse than they are provided that both the principals are willing to retreat from their extreme positions in the interests of a possible solution outside UN. This would require of the Greeks that they speak mildly to their radical resolution (if indeed they insist on tabling it and cannot be persuaded to modify it), that they discourage their supporters from making fiery speeches and that they forego their idea of a UN Commission. For its part, the United Kingdom would have to register a reasonably gentle reaction to an initial extreme resolution for immediate self-determination and would have to tone down its own charges of Greek Government support for Cypriot terrorism. If these two delegations, along with the Turks, could be convinced of the merits of such self-denying ordinances a compromise might be arrived at in the form of a moderate resolution calling for renewal of negotiations. If this did no more than hold the position for the time being, it would at least avoid further damage to Greco-Turkish-British relations and thus increase the chance of subsequent fruitful negotiations.

6. Perhaps the parties mainly concerned could be brought to accept this line of reasoning by the prospect of a serious attempt to find a solution to the Cyprus problem through NATO. It would be impolitic to make reference to NATO in the General Assembly but it might be an argument in private discussions for keeping the Assembly debate on a moderate and responsible level. It is probably neither necessary or useful at this stage for specific proposals to be put forward. In our view, it would, for example, be a mistake even to raise the question of partition. For our part we would favour concentrating our efforts mainly on ways and means of disposing of the agenda items on Cyprus as harmlessly as possible in the hope that the whole problem would be thrashed out in the NATO forum. (It would be understood of course that this procedure would be without prejudice to the right of the Greeks to propose consideration of the Cyprus problem at a future Assembly session failing satisfactory progress outside the UN). We do not suggest that Canada should take too active a part in dealing with this issue but if you agree that the possibility of a NATO solution might help to modify extreme positions and keep the Assembly debate within reasonable bounds you might sound out the delegations principally concerned, including the USA Delegation.

7. We note from a report in the *Christian Science Monitor* of January 31, that the problem of Cyprus is under study in the Council of Europe. At first sight, it does not seem to us that a satisfactory solution under these auspices is likely but it may be that a full discussion in this purely European forum could at least lead to a better understanding of the real interests of the parties to the dispute.

8. As in the case of Algeria, we would be grateful if you would let us have the text of the Canadian statement on Cyprus when it is prepared.

9. Since dictating this telegram, we have received your telegrams No. 501 and 502† of February 7. Chances for a compromise do not seem bright but it might still be worthwhile to feel out other delegations on the NATO idea.

(For Washington only)

10. Could you take an early opportunity to discuss with the State Department the tactics outlined above? A NATO solution will not of course be practicable without active USA support and co-operation. Since the State Department agrees in principle with the desirability of a NATO solution (your telegram 169 of January 23†) the USA Delegation might perhaps be instructed to encourage the UK, Greek and Turkish Delegations to look forward to NATO discussion and to hold their fire meanwhile in the General Assembly.

(For London only)

10. We would be interested in knowing whether there have been any further developments in U.K. thinking toward a possible NATO solution for the Cyprus problem.

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610. DEA/50141-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 266 London, February 13, 1957

SECRET. IMPORTANT.
Reference: Your Tel S-74 Feb 8.
Repeat Candel New York, Washington, NATO Paris (Information).
By Bag Ankara, Athens from London.

CYPRUS

Galsworthy Assistant Head of the Southern Department of the Foreign Office told us yesterday that their present thinking on Cyprus envisages two stages. The first is to ensure that the results of the discussion on Cyprus at the current General Assembly will be such as to convince the Greeks that their aims will not be secured either by repeated appeals to the UN or by the use of terrorism in Cyprus as an instrument of policy. The second stage is to employ NATO as a forum in which to seek a compromise solution by diplomatic negotiation (as distinct from a NATO solution).

2. Galsworthy emphasized that it has become quite clear that no progress can be made on the Cyprus issue until the Greeks can be persuaded to abandon their present intransigent policy of refusing to consider any proposal which does not completely meet their demands for full self-determination. In private of course in order to give an impression of moderation the Greeks keep expressing their anxiety to find a solution and their readiness to support moderate proposals. But whenever proposals are actually put to them they refuse any form of compromise, e.g. the way they flatly turned down the Radcliffe proposals without even giving them any serious study. A more recent instance of this intransigence is the official Greek announcement reported in the *Times* yesterday that Karamanlis had instructed the Greek Delegation in New York to abide by Greece's original claim for the application of self-determination to Cyprus and to oppose any compromise amendment or alternative that might be put forward by other delegations. A Greek spokesman in Athens

is also reported to have described as an "unfriendly act" the Italian efforts to put forward a compromise solution; this is apparently the only reward the Italians are receiving for their pains. Galsworthy thought the Greek objection to Turkey being mentioned in the Italian proposals as a party directly concerned in the Cyprus dispute is indicative of how completely out of date the Greeks are in their attitude to the Cyprus question.

3. We gathered that the UK are proposing to take a pretty tough line in New York on the grounds that shock tactics at the UN offer the best prospect of making the Greeks see the light. The Foreign Office very much doubt that the possibility of a NATO discussion will have any moderating effect on the Greek position in the General Assembly since the Greeks are unlikely to agree to have the matter taken to the NATO forum until they are convinced that the UN offers them no hope of securing their aims. While the UK naturally regrets any discussion which would exacerbate the Cyprus problem they believe that if the question is to be discussed in the UN it must be discussed in its "true context". We were told the UK have plenty of evidence to document their item and that unless the Greeks should agree to drop their item, in which case the UK would do likewise, the UK propose to put forward "the facts". The Foreign Office believe this holds out the only hope of finally persuading the Greeks that the UN forum and the use of violence offers them no prospect of advancing their claims on Cyprus. A realization of this would put them in a more reasonable frame of mind and would thus open the way to the possibility of making some progress toward a solution. We were told the worst possible outcome of the discussion at the UN would be for the Greeks to get the impression that if they refuse to compromise and keep appealing to the UN year after year and encouraging terrorism they will in the end be able to secure their full demands. The UK very much hope, therefore that they will receive full support at the UN from their friends.

4. The second stage in Foreign Office thinking on Cyprus is to have the question discussed in the NATO forum. While the UK have never opposed a discussion of Cyprus in NATO until recently they had thought it inadvisable to encourage a move to hand the problem to NATO unless there was a reasonable prospect of a solution being reached. Otherwise such a step would merely transfer to the NATO Alliance the bilateral strains which already exist between Greece, Turkey and the UK. On February 11, however the Foreign Office submitted to Selwyn Lloyd a brief on the NATO aspects of the Cyprus question which had recommended that the UK should not only welcome NATO becoming seized of the Cyprus issue but should also take the initiative to bring this about. The reaction of Ministers to this suggestion was not yet known however.

5. When we asked about the likely Greek attitude to a discussion in NATO Galsworthy pointed out that the Greeks had always been opposed to a NATO discussion unless it were to be entirely on their own terms. They had thus made it clear when the question was raised in the NATO Council that unless a NATO discussion were based on the application of self-determination to Cyprus they did not want the matter discussed at all. Moreover in accepting the report of the Committee of Three, Greece had emphasized that the procedures laid down in the report should not apply to any existing dispute. Later when the opposition in Athens had attacked the Greek Government for harming the Cyprus cause by accepting the report Averoff had pointed out in a signed article in a Greek newspaper that the Greek reservations were, in fact, superfluous since the procedures outlined in the report were never intended to apply to Cyprus. Galsworthy told us that it was clear, therefore, that unless the Greeks could be brought to adopt a much less intransigent policy such as might be produced by the failure of their case at the General Assembly there is little prospect of their agreeing to a discussion in NATO.

6. From our discussion with Galsworthy we gathered that while the Foreign Office are thinking of a discussion of Cyprus in the NATO forum, they are definitely not thinking of a NATO solution. We were told that Foreign Office views on a NATO solution for Cyprus could best be summed up in the statement made by Dulles on April 24/56. When asked whether Cyprus could not be administered by NATO Dulles had pointed out that NATO was an organization of sovereign states and could not therefore govern any territory.

7. We enquired whether any thought was being given in the Foreign Office to the possibility that NATO might assume responsibility for the external defence of Cyprus or at least that any military bases on the Island should be integrated into the NATO defence scheme. We were told that in order to enable the UK to discharge its obligations under the Baghdad Pact, it was absolutely essential that in addition to any NATO bases which might be established in Cyprus the UK should retain a UK base on the Island.

8. We were interested to note that while the Foreign Office still consider that partition is a last resort which should not be adopted until all other attempts at a settlement have failed, partition no longer appears to be regarded as remote a possibility as it was some months ago. In fact Galsworthy gave it as his personal opinion that unless the Greeks are prepared to abandon their present attitude, is likely to be the only solution. He pointed out that the Trieste problem had also appeared insoluble until partition was adopted. The present view in the Foreign Office which we gather is firmly held is that if Greek-Cypriots have an inalienable right to self-determination it is only common justice that the Turkish-Cypriots should have the same right. When we referred to the difficulties involved Galsworthy said partition would undoubtedly raise a number of serious problems be expensive and result in considerable hardship to a number of Cypriots. He said however that both the Foreign Office and Colonial Office have been studying the practical details which would be involved in partition and that one could not conclude from any of the papers on the subject which had come across his desk that partition was impossible. We gathered that if partition were adopted as a solution Cyprus might either be divided into two (with a UK base in the Turkish sector) or alternatively the UK might wish to retain part of the Island for a base under UK sovereignty.

9. We were told UK policy with regard to Makarios has not changed and that during the recent discussions with him in the Seychelles on the Radcliffe report he gave indications of still wanting to use a denunciation of violence as a card to be employed to bargain in a Byzantine fashion. Galsworthy pointed out however that it is possible that Makarios' attitude was influenced by a desire to make no commitments until he can see what are the results of the discussion at the UN.

10. I am informed that the recent large scale sweeps against terrorists in Cyprus have produced encouraging results and that the security situation in the Island is now considerably better than it has been for some time. These successes against EOKA no doubt partly explain the present relatively confident UK attitude on Cyprus and their belief that the time has arrived to try to soften up the Greeks in the UN.

[N.A.] ROBERTSON

611. DEA/50141-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to United Nations General Assembly

TELEGRAM S-88 Ottawa, February 14, 1957

CONFIDENTIAL. IMPORTANT.
Reference: Our Tel S-74 of Feb 8.
Repeat London, Washington, NATO Paris, Athens, Ankara (Routine) (Information).

CYPRUS

Robin Ross of the UK High Commissioner's Office left with us the text of a resolution concerning Greek support for terrorism in Cyprus which the British intend to table at the UN shortly. We assume you have already seen the draft. The UK argument is that the resolution is not provocative because it does not name the Greek Government. Ross also pointed out that the resolution does not refer to the United Kingdom's efforts to initiate constitutional development because "such matters do not in our view lie within the competence of the UN organization". The UK hope we will be able to support their resolution. You will now have seen Robertson's telegram 266 of February 13 giving a reasoned exposition of the UK position.

2. While the resolution on terrorism may provide the UK with a better bargaining position and serve to counteract a strong Greek stand, we doubt that either the UK or the proposed Greek resolution (your telegram 501 of February 7) will advance a solution of the Cyprus problem. On the other hand the wording of the UK draft is not extreme and if it comes to a vote we would think Canada should support it.

3. We hope, however, that both resolutions can be headed off before they are pressed to a vote. This may be easier to accomplish if neither the Greek nor UK resolutions seem to have any real chance of majority support. Ross thought that the UK Delegation might be prepared to consider a compromise resolution but telegram 266 from London indicates that the UK attitude is hardening because they see little prospect of the Greeks agreeing to drop their item. Nor is the State Department very hopeful of success for tactics designed to achieve moderation in the Assembly debate. (See telegram 316 of February 13† from Washington).

4. Ross expressed the personal opinion that the UK might now be more amenable to a NATO approach than before the Suez Crisis and Galsworthy of the Foreign Office has confirmed to Robertson that the UK is prepared, after the Greeks have been rebuffed at the UN, to seek negotiations through NATO. As indicated in our telegram S-74 of February 8 we think it possible that the NATO forum might offer a face-saving formula for all the principals in the Cyprus controversy. We shall be interested to know whether the Greek Delegation might agree privately that a family discussion in the NATO Council would be a happier alternative than a heated debate at the UN which would be unlikely to advance their interests.

4. We fail to see how this UN exercise can be expected to produce any clearcut justification of UK policy in Cyprus or condemnation of Greek intervention, or any firm decision on self-determination. It can only offer scope for mischief to the Soviet Bloc and arouse

the anti-colonial passions of the Afro-Asians. It seems to us therefore that the objective should still be to dispose of the Cyprus item as briefly and with as little rancour as possible so that a subsequent solution through diplomatic negotiations or through NATO will not be further prejudiced.

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612. DEA/50141-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs

TELEGRAM 586 New York, February 14, 1957

SECRET. IMPORTANT.
Reference: Your Tel 574 Feb 8.†
Repeat London, Washington, Paris, NATO Paris (Information).
By Bag Ankara, Athens from London.

CYPRUS

This question is likely to come before the First Committee on February 18. I have nothing new to add to our estimate of UK and Greek tactics already sent to you. On the basis of this info, and that contained in London telegram 266 and Washington telegram 316 February 13,† I think the prospects point to a rather bitter debate. The Greek position of complete support for the Arabs over Algeria, and the immoderate language used by the Greek Representative in his intervention has not helped to persuade Western delegations that the Greek case in Cyprus will be presented without rancour. The Greeks seem intent on exploiting the anti colonial passions aroused among the Arab Asian countries over Algeria for their own purposes. But the Greeks have privately admitted that they doubt if they can get a majority for their resolution.

2. We mentioned very informally to a member of the Greek Delegation the desirability of keeping the debate on a moderate level, and the idea that perhaps ultimately it could be discussed in NATO. The reaction was much along the lines indicated in London telegram 266 i.e. this would do more harm than good unless NATO could provide a solution acceptable to Greece.

3. I am inclined to think that it would be a mistake for us to take a very advanced position in trying behind the scenes to work out a compromise in the debate on Cyprus here, precisely because of the position we were obliged to take vis-à-vis the UK over Suez. We ought to be very cautious about making proposals about Cyprus, even in the very general terms you suggested. Of all the NATO countries, I think Canada is the one least qualified to attempt to intervene. In any case, I am sure the Greeks are now determined to have their say, and even the well intentioned efforts at compromise of the Italians seem to have earned them Greek resentment. We will, of course, do what we can, utilising the very sensible arguments outlined by you, but there seems to be little chance of a moderate debate.

L.B. PEARSON

613. DEA/50141-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to United Nations General Assembly

TELEGRAM S-91 Ottawa, February 18, 1957

CONFIDENTIAL. IMMEDIATE.

Repeat Washington, London, Paris, NATO Paris, Athens, Ankara (Routine) (Information).

CYPRUS

The Turkish Ambassador called on me this afternoon, on instructions, to request Canadian support in seeking to avoid a discussion of the Cyprus items in the General Assembly and to resume instead discussions between the three capitals directly concerned. As a supporting argument for this view, he added that his government now favour partition (as we had heard last September from Moran) and had reason to believe that the Greek Government were now considering this possible solution.

2. I replied that although we did not welcome the Cyprus debate in the Assembly, I did not see how it could be prevented unless the UK and Greek Delegations in New York would withdraw their items, but I undertook to convey the Ambassador's message to you.

3. As Mr. Averoff has already spoken in the First Committee and resolutions have been tabled under both items, I do not imagine that there is any chance now of the Greeks foregoing the UN debate. I suppose the Turkish Ambassador was acting on instructions that may have gone to all their NATO missions, although he did not tell me which other governments were being approached.

[J.] LÉGER

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614. DEA/50141-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs

TELEGRAM 704 New York, February 27, 1957

CONFIDENTIAL. IMPORTANT.

Repeat London, Washington, NATO Paris, Paris (Information).
By Bag Ankara, Athens from London.

CYPRUS

The Greek Foreign Minister, Mr. Averoff, asked to see me this morning. He wished to talk about Cyprus. He was satisfied with the result of the debate which he thought to be constructive, though it has not been too well received in Greece.[82] He said that he had deliberately refrained from circulating documentation regarding British atrocities in Cyprus as it would have "built a great fire". He told Noble that he had done this in a spirit of conciliation as he himself was anxious to restore good relations with the British and not make things unnecessarily difficult, even though Greek public opinion was highly inflamed on this issue.

2. He felt now that as an indispensable prerequisite to further progress the British should release Archbishop Makarios whose influence he was sure would from now on be helpful and whose release would bring an end to terrorism in Cyprus. The Greek Government was now willing to exclude annexation from any ultimate solution, and the Turks, who had, according to Averoff, also been pleased with the result of the debate, now realized that partition was impracticable and undesirable. Once Makarios was released, he felt that diplomatic discussions could begin between the three governments with a view to working out a solution based on local self-government under British sovereignty for a period of years, 5 or 7, at the end of which the Cypriots would be given an opportunity to vote for independence, or independence within the Commonwealth. Annexation to Greece would be excluded from any such plebiscite. The military base which would be required could be under NATO or UK auspices. He felt that there was a very real chance of a solution being reached along the above lines, but that it would be a mistake to discuss the matter in the NATO Council until progress had been made through diplomatic conversations. At the right time, the NATO Council could be seized of the matter and gain the credit for an agreed solution.

3. On the whole, Averoff seemed remarkably optimistic in regard to a plan which seems to me to make sense, but would not, I gather, have been possible six months ago. He insists, however, that the release of Makarios must be the prelude to any further progress, and he had informed Noble to this effect. I told him that I would have a talk with Noble about the matter and I wished him luck in his activities to bring about a solution on the above lines.

4. Perhaps there will be an opportunity for the Prime Minister to discuss this matter with Mr. Macmillan in Bermuda.[83]

5. Averoff ended his conversation by protesting his desire to repair the damage to British-Greek friendship and Greek-Turkish friendship. He thought it should not be too difficult in either case though Sarper of Turkey was pessimistic about an early resumption of Turkish-Greek friendly relations. Averoff was sure that a trip by his Prime Minister to Ankara, followed by an unofficial visit of the King and Queen would undo all the damage that had been caused by the Cyprus issue.

L.B. PEARSON

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[82] Pour obtenir un compte rendu du débat, voir Canada, Ministère des Affaires extérieures, *Le Canada et les Nations Unies, 1956-1957*, Ottawa: Imprimeur de la Reine, 1957, pp. 14-17.
For an account of the debate, see Canada, Department of External Affairs, *Canada and the United Nations*, 1956-1957, Ottawa: Queen's Printer, 1957, pp. 12-15.

[83] Il a été question de Chypre aux Bermudes. Voir le document 735.
Cyprus was discussed in Bermuda. See Document 735.

615. DEA/50141-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 347 Paris, February 28, 1957

SECRET. IMPORTANT.
Repeat London (Information).

CYPRUS

From a reliable source in the Secretariat we have known for some little time that Lord Ismay has been active behind the scenes in making soundings about the possibility of NATO playing a role in the settlement of the Cyprus issue. We have not felt in a position to report anything to you up to now because Lord Ismay was keeping this matter very much to himself. However, we have just learned from the same source that he has asked one or two members of his staff to give some thought to the permanent representatives who might assist him in the procedures of enquiry, mediation, conciliation or arbitration as set forth in paragraph 57 of the report of the Committee of Three and approved in the resolution adopted at the December Ministerial meeting.

2. The impression of our informant is that Lord Ismay desires to contribute to the solution of the Cyprus problem before he relinquishes office and now that the UN debate is over he is anxious to step into the picture. I would assume, although I have no information to this effect, that his first step after taking soundings here will be to talk the matter over informally with someone in the UK Government, probably Selwyn Lloyd. It is possible that he may receive encouragement from this quarter (see paragraph 4 of London telegram 266 February 13).

3. Lord Ismay no doubt sees this question as one affecting three NATO governments. I am not sure how far he is aware of the Greek attitude which was indicated in paragraph 5 of the telegram from London referred to above. In particular, he may not be aware that the Greek position at the close of the UN debate was that the interested parties referred to in the resolution were the UK Government and the people of Cyprus. For them the latter are represented by Archbishop Makarios, so that in their view the first step to be taken pursuant to the resolution would be the release of the Archbishop and the resumption of discussions between him and representatives of the UK Government. They are very gratified that the resolution did not recognize in any way the Turkish Government as one of the interested parties. They would, therefore, feel that any intention of Lord Ismay to discuss the question with representatives of the Turkish Government would be prejudicial to their case. It follows that the Greek Government would not regard themselves as a party directly interested in the first instance.

4. From this it would appear that an initiative by Lord Ismay at this time might possibly be premature. It is also doubtful if during the two and a half months that remain of his period of office he could hope to accomplish a solution of this vexed problem. It has been our view that this is a matter which could best be left to the more experienced hands of M. Spaak. It would be indiscreet to say the least to indicate this to Lord Ismay. In other respects we should welcome the interest and sense of responsibility he shows in being willing to take on such an ungrateful task. I feel, however, that he is in need of the best

impartial advice that can be given. I have no doubt that at an early date he will follow his usual practice and call in for consultation certain of his colleagues on the Council. Accordingly, I should appreciate very much any guidance you could give me as to what I should say to Lord Ismay if he approaches me on this subject during the course of the next few days.

[L.D.] WILGRESS

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616. DEA/50141-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to United Nations General Assembly

TELEGRAM S-134 Ottawa, February 28, 1957

SECRET. IMPORTANT.
Reference: Tel 347 of Feb 28 from NATO Paris.
Repeat London (Routine) (Information).

FOR THE MINISTER

CYPRUS

If there is any way Mr. Wilgress can discreetly discourage Lord Ismay from taking the NATO initiative on Cyprus in the near future I think, if you agree, he should try to do so. Now that the Assembly debate has passed off without too much damage and a resolution calling on the parties to negotiate has been almost unanimously adopted, I think the parties concerned should be given at least a few months in which to explore between themselves the possibilities of progress toward a negotiated settlement. Our earlier thoughts for a NATO initiative following the Assembly debate were based on the assumption that a generally acceptable resolution would not be forthcoming and that NATO might in some way or other have to step into the picture for lack of agreed alternative procedures. Happily that situation has not arisen.

2. Looking further ahead, however, I can see good reasons for not postponing a NATO approach too long if direct talks among the parties concerned remain deadlocked. Any initiative, to seize NATO with the problem late this summer, particularly if the initiative comes from UK sources, will be suspect by the Greeks who will by then be thinking in terms of the next Assembly debate. We have therefore been wondering if sometime in June might not be an appropriate moment for the new Secretary-General to take some initiative such as he has been contemplating for many months.

3. As you pointed out in your telegram 586 of February 14 from Candel New York we ought in present circumstances to be very cautious about making proposals about Cyprus and Canada is perhaps the least qualified of the NATO nations to intervene at this time.

4. You may wish to reply directly to Mr. Wilgress.

617. DEA/50141-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 360 Paris, March 1, 1957

SECRET. IMPORTANT.
Reference: Our Tel 347 Feb 28.
Repeat London (Information).

CYPRUS

Since sending you our telegram under reference events have begun to move at a rapid pace. Late last night we heard that Lord Ismay had prepared letters to the Permanent Representatives of the three countries concerned with the Cyprus dispute and that he had already seen the Permanent Representatives of The Netherlands and Norway on this subject. Today, he rang me up to ask if I could drop in after the meeting this afternoon.

2. He opened the discussion by showing me the letter which he had drafted to the three Permanent Representatives in question. This commenced by quoting from the resolution passed by the General Assembly. It then went on to quote from the resolution passed at the December Ministerial meeting of the Council based on the recommendation of the Committee of Three. It concluded by stating that he felt it was his duty under this resolution to offer his services and wished the Permanent Representative concerned to enquire from his government if they felt his good offices would be useful.

3. Ismay told me that while the note had not yet been delivered to any of the three Permanent Representatives he had shown the text to the UK and Greek Permanent Representatives and both had expressed the preliminary view that they thought it would do some good but they would sound out their governments and let him know.

4. Ismay said that what he had in mind was that he would associate with himself three wise men of which one would be Von Starkenberg, the former Permanent Representative of the Netherlands. I told him that I felt NATO could and should play a useful role in the Cyprus question but he is not sure whether the time had yet arrived and that a premature move might prejudice this possibility. Basing myself on paragraph 5 of London telegram 266 February 13, I mentioned that, in the view of the Greek Government, the resolution adopted by the Council last December did not apply to existing disputes and that the Foreign Minister of Greece had gone on record to this effect in a signed letter which he contributed to a Greek newspaper. In connection with the UN resolution I said that the Greeks regarded the interested parties referred to in the resolution as being the UK Government and the people of Cyprus and that the Indian delegate who sponsored the resolution made a statement to this effect. This meant that they were looking towards the resumption of discussions between the UK Government and Archbishop Makarios whose release, in their view, would be the first prerequisite.

5. Ismay said that he had looked up the record and could find no indication of the Greek Foreign Minister having made any reservation at the December meeting to the effect that the resolution would not apply to an existing dispute. (I believe this reservation was made not at the December meeting but when the Committee of Three consulted with the Greeks

in September. We have asked the Secretariat to look into this.) I read [Group Corrupt] Candel Telegram 704 of February 27 in which the Greek Foreign Minister had told the Minister that it would be a mistake to discuss the matter in the NATO Council until progress had been made through diplomatic conversations but that at the right time the NATO Council could be seized of the matter and gain credit through an agreed solution.

6. The impression I derived was that Lord Ismay felt himself so committed to sending the notes he had prepared that he would proceed accordingly. However, he told me that he would have another talk with the Greek Permanent Representative and ask him if he could assure him that the sending of the note to him would not do more harm than good. This I told him would be a useful step.

[L.D.] WILGRESS

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618. DEA/50141-40

Le représentant permanent auprès des Nations Unies
au sous-secrétaire d'État aux Affaires extérieures

Permanent Representative to United Nations
to Under-Secretary of State for External Affairs

LETTER NO. 108 New York, March 6, 1957

CONFIDENTIAL

CYPRUS

I am sending you separately a report† on the discussions of the question of Cyprus in the eleventh General Assembly, but would like also to add a few comments in the form of a postscript.

2. In my opinion the Greek Delegation attempted quite unscrupulously to exploit the increase in the number of Arab-Asian and Soviet bloc countries in the Assembly to push their advantage. For example, in the Fourth Committee with regard to Trusteeship questions, in the Special Political Committee with regard to the questions of race conflict in South Africa and the treatment of Indians in South Africa, and in the First Committee with regard to Algeria, the Greek Delegation took a line which was undistinguishable from that of the Arab-Asian (and Soviet) delegations. This, no doubt, was justifiable from the strictly narrow point of view of gaining votes on Cyprus but it was certainly resented by many of the Western delegations, in particular the French, British, Belgian, Portuguese and Turkish delegations and indeed presented a sorry picture of NATO solidarity.

3. The Turks behaved, in my opinion, with considerable dignity and certainly Mr. Sarper's presentation of their case on Cyprus was much the most convincing of the three major speeches. There was no subtlety in the Turkish approach on this or any of the "colonial" issues. It was not surprising to find that the United Kingdom Delegation was usually more disposed to compromise than the Turkish.

4. The United Kingdom Delegation seemed to be cursed with the same feeling of frustration that has bedevilled it during this entire session. For whatever reason, the British never raised the question of Cyprus in a Commonwealth meeting nor did they attempt to explain their tactics in any way whatsoever to even the Old Commonwealth countries. They were always prepared to give us information when we asked for it but were not very enterprising about informing us of intended moves. On one occasion we received information of a

proposed United Kingdom tactic through the Netherlands Delegation. This clumsiness on the part of the United Kingdom Delegation particularly annoyed the Australians and New Zealanders.

5. The British started out with the intention of concentrating their case on the question of Greek aid for terrorism in Cyprus. They do not seem to have foreseen the Greek move of requesting a United Nations Commission to investigate the charges. Like the French in the case of Algeria, the British hoped that no resolution would secure a majority and that the Committee would conclude its deliberations without passing any resolution. After the introduction of the second Greek resolution on terrorism, however, they calculated that, in view of the large number of probable abstentions (most of Latin-America and Scandinavia) this resolution might secure a majority. They therefore threw their weight behind the attempt to find a compromise resolution.

6. The first attempt at a compromise was acceptable to the British but found no support with the Greeks because it implied that Turkey was an interested party. The Indian compromise was accepted by the Greeks from the beginning and by the British at the last moment. The Turks, as usual, accepted this move rather reluctantly.

7. There is no doubt that internal Greek politics played a considerable role in the attitude of the Greek Delegation. The Greeks told us quite frankly that they were reluctant to accept the first compromise resolution because it would weaken Mr. Averoff's political position if he were accused by the Opposition of not having pressed the Greek resolution to a vote, even though this meant having it rejected and having most of their Western friends line up against them. As you will recall from our telegram concerning the talk between Mr. Pearson and Mr. Averoff, the latter intimated that he would like to see diplomatic talks shortly commence between Greece, Turkey and the United Kingdom with a view to working out a new solution. This is rather curious since the Greeks during the debate had insisted that Turkey had no claim to discuss the question. This was also the whole point of the attempt by the Greeks to convince a number of delegations, including our own, to make a formal statement in explanation of vote that they considered that the interested parties implied in the Indian resolution were the United Kingdom and the people of Cyprus.

8. Perhaps the most interesting point to emerge from the debate was the categorical statement by the Greek Foreign Minister that his country would not claim Cyprus for itself. Attention was drawn to this statement by a number of delegations and, of course, Mr. Averoff reiterated in his talk with Mr. Pearson that annexation to Greece would be excluded from the plebiscite eventually to be held in Cyprus. He looked forward to an independent Cyprus or independence within the Commonwealth. It is also noteworthy that Mr. Krishna Menon stressed the glorious past of the Cypriot people and stated that they were as qualified to be an independent state as some other members of the United Nations, for example, Iceland.

9. To my knowledge, the idea of an independent Cypriot Republic has never previously been considered seriously. The Cypriot people themselves, or at least the Greek-speaking part of them, have always opted for union with Greece as an alternative to British rule. Since the Island is poor and with no important harbours it is a little difficult to see how it could seriously exist as an independent country unless it were heavily subsidized. Presumably if it were independent it would immediately be exposed to intense competition between Greece, Turkey, the United States and the USSR. The prospect is somewhat

disquieting but will inevitably have to be considered now as one of the possible solutions to the problem.

R.A. MacKay

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619. DEA/50141-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

Telegram S-153 Ottawa, March 19, 1957

Secret. Immediate.

Reference: Your Tel 487 of Mar 16,† my Tel S-151 of Mar 15.†

Repeat NATO Paris (Important), Paris, Washington, Permis New York, Athens, Ankara (Routine) (Information).

CYPRUS

In view of the urgent and apparently sympathetic consideration which the UK Government seem to be giving the EOKA offer of a truce if Makarios is released, it might be timely if you were to let them know in whatever way you find appropriate that in our opinion, based on my talk with Averoff in New York and on reports received from our missions, the resumption of negotiations with Makarios would be the best and perhaps the only way of reaching a more or less satisfactory settlement which would be tolerable for all three governments concerned. As Averoff told me, the Greek Government would accept a settlement negotiated with Makarios which excluded both union with Greece and partition but which would envisage within an agreed number of years independence or Commonwealth status for Cyprus.

2. I think this might also be the moment to indicate that we felt the immediate usefulness of NATO involvement chiefly depended upon the Archbishop's release.

For NATO Paris

3. If, as Mr. Robertson reports, Lord Ismay is still thinking of a NATO initiative leading to conciliation by some kind of Committee of Three, you might tell him that we understood the UK Government preferred a one man operation and that we also regarded this as the most suitable in the circumstances, both for privacy and flexibility. It is a task that the next Secretary-General could also carry on. In any case I would hope that Canada would not be asked to take part in such a Committee of Good Offices at least for a few months.

[L.B.] Pearson

620. DEA/50141-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 490 Paris, March 22, 1957

SECRET. IMPORTANT.
Repeat London, Washington (Information).
By Bag Athens, Ankara from London.

CYPRUS

Lord Ismay called a special private meeting of the Council this morning to discuss the latest developments.

2. He prefaced his remarks by relating what has happened in the past regarding the problem of Cyprus and NATO. The matter was first discussed almost over a year ago on the 14th of March 1956 on the initiative of the Greek Government. Lord Ismay said that after that meeting he had summarized the salient points of that discussion. They were briefly, that the Cyprus situation was damaging to NATO, that unless early steps to break the deadlock were taken the question of Cyprus would be discussed in the UN with the possibility that further damage might be done to the unity of the Alliance. The solution was a matter of agreement between the interested parties themselves and it was the wish of the Council that he should, as Secretary-General, direct his efforts towards devising ways and means of paving the way for a solution. He had already in mind then the possibility of entrusting the problem to three outstanding personalities chosen from countries not directly concerned with the dispute. He had visualized, however, that before such a step could be taken there should be a period of détente in the relations between the three governments.

3. Approximately a month later, the Cyprus issue had come up again in the Council, raised this time by the new Greek Permanent Representative, Mr. Melas. The Turkish representative had indicated that NATO was perhaps not the best forum to discuss a possible settlement. Likewise, the UK representative had stated that although they had no objection to exchanging views in the Council, they felt that a search for a NATO solution would not achieve a useful purpose.

4. Last December at the Ministerial meeting, the Greek Foreign Minister, Mr. Averoff referred to the April discussions of Cyprus in the Council and said that his government, if other governments agreed, would accept NATO arbitration. M. Menderes also agreed that the question might be discussed in NATO, but in that case it should be removed from the UN agenda. Mr. Selwyn Lloyd merely stated that he had no objection to discussing Cyprus in any forum. Lord Ismay said it was alleged that during the Ministerial meeting, Mr. Averoff expressed a reservation about the competence of NATO to deal with the Cyprus dispute. Lord Ismay wished to put the record straight in this respect. What Mr. Averoff had said was that the procedure envisaged in the Committee of Three report did not appear to be obligatory in respect to disputes already brought before NATO or in respect of which action was being taken in other organizations.

5. Lord Ismay said that in the circumstances he had felt he should make no move till after the UN had debated Cyprus. After the UN debate, however, he thought it his duty to offer

his good offices. He had, also, before the UN debate spoken to the Permanent Representatives of the three countries concerned and counselled moderation in presenting their case in the UN. Subsequently, he drafted a letter to the three governments which he showed them in advance. The Greek representative had given him to understand that, although it might not be wise to send his letter before the Greek Parliament had concluded a debate on Cyprus, it was possible that once this debate was over the Greek Government might have a freer hand regarding Lord Ismay's offer of good offices. On the 15th of March, Lord Ismay decided to send his letters (the texts will be forwarded to you as soon as available from the Secretariat).

6. Lord Ismay then had the Greek reply read in its original French text. In summary, the reply is to the effect that they still believe that the procedure that should be followed is that outlined in the resolution adopted by the UN, e.g. that negotiations should be conducted between the administering power and the peoples of Cyprus. It goes on to say that the Greek Government does not believe it possible to accept the procedure proposed by Lord Ismay. It regrets that, in the present circumstances, the Greek Government does not consider that discussion in NATO would be in the best interests of the Alliance.

7. Lord Ismay then called upon the representatives of Greece, Turkey and the UK and asked them whether they wished to make comments on their governments' replies. Mr. Melas said that for the moment his government stood by the resolution adopted by the UN on Cyprus. Greece has always regarded herself as a mandatory to the Cypriot people. If the Greek Government were not to make that point clear it might be deduced that it was acting in its own interest and not in the interest of the people of Cyprus. He was not too concerned with the turn of events as, even if the present attempt to reach a settlement had not failed in the first stage of the discussions, it was quite obvious that, in view of the line taken by the UK Government, negotiations for a settlement would have failed at a later stage of the discussions. It seemed evident to him that if the UK Government were not prepared to negotiate with the Cypriot people, NATO itself could achieve no progress. He finally referred to the conditions attached by the UK Government to the release of Archbishop Makarios. He failed to see how the Archbishop could comply with these conditions without creating the worst possible impression on his own people. If the UK Government was sincere in its desire for a détente they should release the Archbishop unconditionally. He ended up his remarks by thanking the Secretary-General for taking the initiative of offering his good offices.

8. The Turkish representative said that the negative reply of the Greek Government came to them as a surprise (sic). He begged to differ from the interpretation put by the Greek authorities on the UN resolution.

9. Sir Frank Roberts, like his Turkish colleague, said that the UN resolution on Cyprus could be interpreted in various ways which do not necessarily coincide with the Greek interpretation. He disagreed also with Mr. Melas' remark that efforts towards a settlement would have failed at a later stage of the discussions even if they had been successful in the preliminary stage. It was his government's hope that the Secretary-General's initiative would enable a fresh start to be made as they were agreeable to search for an acceptable solution to all parties concerned. Under these conditions, he thought that an exchange of views following the Secretary-General's initiative would serve a useful purpose.

10. After the statement of the Secretary-General and those of the three interested countries, opinions were expressed by a few other delegates. I shall summarize the salient ones for the record as no minutes will be prepared by the Secretariat on today's meeting.

11. Mr. Perkins was the first to speak. He said that he could well understand the desire of the Greek Government to have conversations carried on between the UK authorities and the Cypriots. He welcomed the fact that the Greek official reply seemed to leave the "door slightly ajar" and that consequently there might be a useful role for NATO to play in the future. Under the circumstances, it seemed that the Secretary-General could only keep the situation under review and continue to consult with the parties most directly concerned.

12. The Belgian representative said that because of the importance of this matter for NATO every possible effort should be made to help effect a settlement. It was perhaps significant that in the last few months those which were opposed to having the matter discussed in NATO with a view to reaching a solution had now changed their position. If such changes had taken place in the past there was no reason to be pessimistic about the future. He attached a great deal of importance to those particular words in the Greek letter (dans les circonstances présentes — ne croit pas pouvoir) and he hoped that these could be interpreted as meaning that the Greek Government is not definitely opposed to accepting Lord Ismay's offer of good offices. He then made the point that the Greek Government's desire to abide by the UN resolution does not necessarily exclude the procedure envisaged by Lord Ismay. On the contrary, he thought when the NATO governments voted in favour of the UN resolution in NY, they had done so with the full knowledge that the problem might come before NATO and that negotiations could be pursued in that context. He ended up his remarks by an appeal to the Greek Government to review the situation and perhaps reconsider its position. At this point, Mr. Melas interjected that one should not be too optimistic about the interpretation to be put on the wording of his letter.

13. The Netherlands representative's remarks were to the effect that what is important to achieve is some kind of settlement; the question of procedure was secondary. All and well if some agreement can be reached in NATO but otherwise his government was quite prepared to see a solution found in another context. He wished, however, the NATO approach to be thoroughly explored and took comfort in the fact that there seems to be some hope that NATO might help in reaching a solution.

14. Because of the importance we attach to this matter, I thought that we should intervene in the discussion. In doing so, I had, of course, in mind the Minister's remarks contained in paragraph 3 of your telegram S-153 March 19. I said that we appreciated the motives of the Secretary-General in offering his good offices in an effort to settle a dispute which is so disturbing for the Alliance. Like my colleagues, I took comfort from the wording of the official Greek reply to Lord Ismay's letter which is slightly more hopeful than the press accounts which have appeared, and of course we can only respect the position taken by the Greek Government. The important point, however, is that the governments concerned should continue to give thought to the manner in which the Secretary-General and NATO could, in the course of time, play a useful role regarding the settlement of the dispute. That meant in practice that the Secretary-General should continue to keep in touch with the situation and to consult informally and privately with the representatives of the governments concerned. I insisted on the informal and private character of these consultations and drew attention to the fact that, although the procedure envisaged in the Committee of Three report had mentioned the possibility of some kind of a Committee of Three to study the problem, there was of course no obligation that such a procedure be literally followed. In our view, a one-man operation would prove to be more flexible and afford a better chance to conduct these talks with all due privacy. In conclusion, I said that all the Council could do at the moment was to take note of the Secretary-General's action with the hope that eventually NATO's discussion of the Cyprus issue would yield fruitful results.

15. The French representative deplored the fact that so much publicity had been given to Lord Ismay's intervention and he hoped that in the future whatever negotiations were carried on in NATO would be kept away from the public.

16. It could not be expected, of course, that clear conclusions would emerge from this meeting but it seems to have brought into light the fact that the Greek official reply to Lord Ismay's letter is couched in such terms that it may not constitute a flat no to Lord Ismay's offer of good offices. Consultation should, therefore, continue between the interested parties and a clarification of the Greek Government's position should be sought. The merit of Lord Ismay's initiative depends now on the slight possibility (which to me appears pretty dim, given the UK position regarding the release of Makarios) that the Greek Government may in the end decide to risk a NATO intervention under what appears to be pretty inauspicious circumstances.

17. At the end of the meeting, Lord Ismay cleared up a few procedural points. He will circulate to delegations the text of his letters to the three governments. The three governments concerned will make available to governments copy of their replies to Lord Ismay. These replies should be kept confidential, although the UK and Turkish representatives reserved the right for their authorities to erase these texts. It was also agreed that no comments whatsoever would be made to the press regarding today's Council meeting.

[L.D.] WILGRESS

8e PARTIE/PART 8

RÉUNION MINISTÉRIELLE DU CONSEIL DE L'ATLANTIQUE NORD, BONN, 2-4 MAI 1957
MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL, BONN, MAY 2-4, 1957

621. DEA/50102-R-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassade en République fédérale d'Allemagne

Secretary of State for External Affairs
to Embassy in Federal Republic of Germany

TELEGRAM DL-443 Ottawa, May 1, 1957

SECRET. OP IMMEDIATE.

Reference: Our Tel DL-439 of Apr 24† — Para 7.

Repeat NATO Paris (OP Immediate), Paris, Washington, London (Priority) (Information).

MINISTERIAL COUNCIL MEETING — COMMUNIQUÉ

With Western Europe being alternately wooed and bullied by the USSR, and with NATO itself divided on a number of major questions both of European defence and of foreign policy, drafting of the Communiqué of the Ministerial meeting this week will present special problems and opportunities. In addition to the material in the departmental brief† commenting on specific topics, you may wish to have our thoughts as to what might be considered for inclusion in the Council's Communiqué or in press guidance.

2. There are, it seems to us, 3 principal objectives the Council's Communiqué might aim to attain:

(a) to give a telling collective answer to the present phase of Soviet foreign policy towards Europe;

(b) to secure better press for NATO in Germany and a deeper realization of Western Europe's dependence on the Alliance;

(c) to regain a greater sense of political unity for the Alliance as a whole.

3. It is easier to prescribe a forthright and constructive Communiqué which should give a lead to Western public opinion on current topics of contention with the Soviet Union than it is to draft such a document in terms acceptable to all members. In spite of the differences of emphasis which exist among the members of the Alliance on for example the cessation of atomic tests, it should in our opinion be possible to find a common denominator on most of the issues on which the Soviet Union is at present campaigning by means of diplomatic notes and broadcasts to members of the Alliance in an attempt to divide, confuse and intimidate. The Alliance was formed in response to a Soviet threat and even though there seems today less immediate risk of a military assault on Western Europe, the new Soviet campaign has conveniently reminded us of our community of purpose in standing together against both blandishments and threats aimed at dividing and weakening us.

4. At the same time the Communiqué might reasonably be expected to give the Soviet Union categorical reassurances that its fears of NATO forces or NATO bases being used aggressively are groundless. The proposed Western reductions in UK and German force levels should demonstrate our pacific purposes. In a period when the Russians are being given some credit in the uncommitted countries for military reductions they may not have made, it seems unfortunate that NATO should be divided on a similar issue without at least being able to take some credit for what some of its members have decided they must do.

5. Too often, it seems to us, Western countries have been getting the worst of both worlds in terms of public relations and a Communiqué that repudiated Soviet charges and reasserted as concretely as possible the defensive character of the Alliance would be timely.

6. Since the Council will be meeting in Bonn and in an election year, there is a special problem in regard to Germany. No doubt the German delegation will be in the best position to advise the Council in this regard, and will know how the German Government plans to reply to the particularly crude Soviet note of April 27 which attempts to interfere directly in German domestic politics. The Council should, however, be doubly careful to avoid such interference itself. The German delegation will no doubt have prepared for the Communiqué ideas on German reunification with reference to the 4-Power Working Group's report and may wish to explain in the Communiqué its essential features, which have as yet not been made public.

7. In addition the Communiqué might attempt to present a positive NATO attitude towards European security proposals in relation to German reunification and the general disarmament talks in London. In fact there is, we believe, a necessary interdependence between these three subjects which could be expressed in a form which would not trespass on the work of the Disarmament Sub-Committee.

8. Whether or not agreement can be reached in London on the elements of a limited disarmament agreement, it might be well for the Council to endorse in principle the new and flexible Western disarmament proposals particularly those of the United States. The Council may also wish to emphasize the interest of NATO in the European aspects of disarmament. In addition, the Communiqué might seek to express in a clear and convincing way the position of NATO governments on the need for nuclear tests and on the condi-

tions under which their cessation would be acceptable as part of an international agreement providing controls which would ensure that compliance would not be only one sided.

9. It would seem desirable that something be said in the Communiqué about Soviet policy in Eastern Europe and particularly in regard to Hungary. The Council might again go on record as condemning the flagrant violation of human rights which has taken place through the military intervention of the Soviet Union. Although Soviet control of Hungary is now exercised less directly, the right of a people to chose its own government is still suppressed. Reference might also be made to Western help for the Hungarians through immigration and relief operations. It is surely a dramatic commentary on the state of affairs in Eastern Europe when an elaborate system of barb-wire, ploughed fields, lights, dogs, and watch towers must be erected to keep people from leaving their country. At the same time talk of "peaceful liberation" might be soft pedalled and the special position of Poland kept in mind so that the Council will not embarrass Gomulka.

10. We are of two minds as to whether any reference to Cyprus should be attempted in the Communiqué. Depending on whether it would help or hinder Mr. Spaak's future efforts, some reference might be made to the accepted need for using all possible means of reconciling differences among members. Any reference should if possible be related to the theme of political partnership.

11. The subject of the Suez Canal is not on the agenda and may well not be discussed. We would not be inclined to do anything to raise this issue, but if Ministers feel that reference should be made to it, in view of the past discussions of the problem and more particularly of their endorsement in the December Communiqué of the Security Council's six principles, we would hope that the reference might merely consist in noting the progress achieved and the useful role played by the UN Secretary General and others.

12. As the Bermuda Conference obviously has an important bearing on the re-establishment of close political partnership among the members of the Alliance, it may be that some of the points made in the Anglo-American Bermuda Communiqué could be used in the Bonn Communiqué although it might be inappropriate to refer explicitly to Bermuda.

13. In short, we suggest that the theme of the Communiqué should be political partnership. Last December, the Council's Communiqué expressed the undertaking of NATO governments to pursue the development of political, economic and cultural unity in accordance with the recommendations of the Committee of Three. It would now seem logical to stress the need for increasing the effectiveness of political consultation as a further step in building a genuine political partnership among all members of the Alliance. Each section of the Communiqué would we hope contribute to this theme rather than consisting of a series of separate policy statements on isolated topics.

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622. DEA/50102-R-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassade en République fédérale d'Allemagne

Secretary of State for External Affairs
to Embassy in Federal Republic of Germany

TELEGRAM S-211 Ottawa, May 2, 1957

SECRET. OP IMMEDIATE.
For the Minister.

Reference: Our Tel DL-443 of May 1.
Repeat NATO Paris (Op Immediate), Paris, Washington, London (Priority) (Information).

MINISTERIAL COUNCIL MEETING — COMMUNIQUÉ

Since this will be the first Ministerial Council meeting since the signing of the Messina Treaties on March 25, there is almost bound to be some discussion of European integration. We have given our views in the brief. Preliminary reports from NATO capitals indicate that some of the leading members of the Alliance see no need for a NATO pronouncement welcoming the signature of the Common Market and Euratom Treaties.

2. If, however, some members of the Six should insist that reference be made to these developments in the Communiqué we would see no objection provided it were so worded that the Council was not giving too solemn a blessing since this might weaken our hand in opposing certain sections of the Common Market Treaty when it is reviewed elsewhere. The chief thing which we think should be stressed in any public Council reference to this question is the need for Western European integration to take place in fact as well as in theory within the Atlantic framework, since any latent tendencies towards continentalism on either side of the Atlantic could be damaging to the Alliance and perhaps especially to Canada.

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623. DEA/50102-R-40

L'ambassade en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures

Embassy in Federal Republic of Germany
to Secretary of State for External Affairs

TELEGRAM 239 Bonn, May 3, 1957

SECRET. OP IMMEDIATE.
Repeat London, Paris, NATO Paris, Washington from Ottawa (Information).

MINISTERIAL MEETING, BONN

You will have already seen in the press an account of the opening ceremony. We shall therefore only deal here with what seem to be the most important interventions made during the private discussion of Item II(a) of the agenda covered yesterday. (At Mr. Pearson's suggestion, it was agreed to consider the Secretary General's reports under Item IV of the agenda).

2. There is one part of Mr. Martino's statement that might be usefully reported at this stage. In dealing with Western policies towards the satellites, he referred particularly to Hungary. He suggested that Kadar's invitation to Hammarskjöld to visit Hungary should be accepted but only after the forthcoming report of the UN Commission in Hungary had been fully discussed in the UN. This would not only enable the Secretary General to convey the views of world public opinion on Soviet action in Hungary, but would give a purpose to the Secretary General's visit to Budapest, e.g., confront the Hungarian authorities with the findings of the UN report.

3. Mr. Dulles, after some academic remarks about "classic American thinking on alliances", developed three main points. First, that good progress has now been achieved in healing past differences; second, that the current Soviet campaign of threats has been met

in a forthright and most courageous manner by members of NATO and finally, that the USA are assuming their full share in the cooperative efforts that are being made to meet the [new] situation. In this last connection, he mentioned the full support given by his government to European economic integration, of the work being done to find alternatives to the Suez Canal, the Eisenhower Doctrine,[84] the establishment of an economic development fund now under study and the new USA policy regarding trade relations with Poland.

4. In analysing current trends of Soviet policy, Mr. Selwyn Lloyd developed the theme that the 1957 brand of coexistence may well reveal the fact that beneath the surface the Soviet Government is now on the defensive. Although Soviet military power continues to grow and Soviet economy to expand, Soviet leaders are facing many problems. The satellites have become a source of anxiety; the upheavals in Hungary and Poland now prevent them from taking the initiative in Europe; the Eisenhower Doctrine is turning the balance against them in the MidEast; the old Stalinist methods have had to be revised and their desire to compete economically in the West create great internal difficulties. In all this, Mr. Lloyd saw some reason for guarded optimism. From the greater position of strength achieved by NATO in the last six years: he saw opportunity to talk with the Soviets about the MidEast, German reunification and disarmament proposals. Western attention should be directed specially at the Achilles' heel of the Soviets, Eastern Europe. In the course of his statement, Mr. Lloyd said that NATO had been right in basing its whole defence upon the deterrent. Later on, he felt the necessity of qualifying this assertion in the light of the French, German and Dutch insistence that the strength of the 'shield' be maintained. What he meant was that NATO cannot defend itself against a major assault by conventional weapons alone, and that the Soviets should know that any real aggression (as defined in the political directive) would be met with all the forces at our disposal, conventional and otherwise.

5. Mr. Pineau's intervention was perhaps the frankest and most courageous. He addressed himself to the question of the reassessment posed by the development of new weapons. There are, in his opinion, four main aspects to this problem. What should be the relative balance between nuclear and conventional weapons? The answers can only be that nuclear weapons should be available to deal with global attack but that conventional weapons were also necessary to deal with localized conflicts. Another important aspect was the temptation for some governments to decide unilaterally to "modernize" their forces. This was clearly inadmissible as full consultation in NATO was of the utmost importance in such vital matters. The most serious problem was perhaps that raised by the introduction of nuclear weapons in the arsenals of the NATO countries. The only acceptable arrangement for France would be to entrust SACEUR with the ultimate decision to make use of these weapons. Finally Mr. Pineau referred to the disarmament negotiations. His government's position in this respect may be summarized in four basic propositions. Disarmament negotiations are presently conducted in the UN context and it would be dangerous to link with them the problem of German reunification. No nuclear disarmament without classical disarmament. The control system should take into account foreseeable technical progress which may lead to H-Bomb explosions without fissile materials; it is unrealistic to expect that all *but* three powers should agree to limitations of nuclear [armaments].

6. It may also be useful for you to have a brief report of Mr. Von Brentano's remarks; the first gave an account of the unsatisfactory relations between the USSR and Germany since the last Ministerial meeting. He counselled extreme caution in resuming contacts and exchanges with the USSR as such a policy might give the impression that the Hungarian

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[84] Voir le document 208, note 173./See Document 208 *n*. 173.

events have been forgotten. With regard to the satellites, however, he said that the West should try to maintain in their people the hope for liberation. This was particularly applicable to the Soviet zone of Germany. He believed in the sense of realism of Eastern Germans to avoid any uprising, but there was no use denying that explosive potentialities do exist. Perhaps NATO should make it clear to the Soviets that it stands ready to take adequate measures if this were to become necessary. He ended his statement by raising the question as to whether NATO countries should study the possibility of their resuming more normal relations with the satellites.

7. At a later stage in the discussion, Mr. Von Brentano referred to the growing tendencies of overemphasizing the importance of nuclear weapons. On this score, his government was very incensed with the current UK reductions. He wished the final Communiqué to include a statement to the effect that NATO should maintain in Europe a powerful shield of land, aerial and naval forces.

8. We shall try to send you a separate account of the discussions on MidEastern policy.[85]

[L.B.] PEARSON

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624. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], May 9, 1957

Present:

The Prime Minister (Mr. St. Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The President of the Privy Council (Mr. Chevrier),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Leader of the Government in the Senate and Solicitor General
and Acting Minister of Justice (Senator Macdonald),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Secretary of State (Mr. Pinard),
The Associate Minister of National Defence (Mr. Hellyer).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretaries to the Cabinet (Mr. Pelletier), (Mr. Martin).

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NORTH ATLANTIC TREATY ORGANIZATION; MINISTERIAL MEETING; REPORT OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS

23. *The Secretary of State for External Affairs* said there were a number of items of interest which had been discussed at the N.A.T.O. Ministerial Council meeting held in Bonn, on May 2nd and 3rd. The United Kingdom plans for reduction in their forces were continuing to cause anxiety as possibly heralding a withdrawal of the U.K. from the continent and, more particularly, because they might cause a chain reaction of reductions by

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[85] Il semble qu'un rapport n'a jamais été envoyé.
It appears that no report was ever sent.

other N.A.T.O. countries. The U.K. Foreign Secretary had had some success in assuring the council that his country did not intend to withdraw completely and that the forces that would remain in Europe would in fact be stronger because of increased fire power. Another matter of importance was whether the continental countries should be equipped with atomic weapons. This was a particularly live issue in Germany, where there would be a national election in the autumn. Indeed, the meeting had been held in Bonn to give the government a measure of support for this contest. Once it was over the Germans would undoubtedly emphasize strongly their desire that their forces should be equipped with these weapons.

The United States Secretary of State had said that U.S. forces in Europe would not be reduced. As regards the Middle East, Mr. Dulles had made it clear that his government was now convinced that Syria was under communist domination. Therefore, in accordance with the Eisenhower doctrine, the U.S., if asked, would come to the assistance of a country attacked by Syria. Jordan had quietened down. The U.K. and France were almost gleeful to see how involved the U.S. had become in the area.

A number of the smaller countries in the alliance had been bitterly attacked by Russia for allowing the U.S. to establish bases in their territories, grant them military aid, etc. It was encouraging to see how irritated they had been and how manfully they had reacted to this pressure. On the question of Cyprus, the Turks and Greeks had spoken out clearly and unmistakably to each other. This would be one of the first problems that Mr. Spaak, the new Secretary-General, would tackle and he would have some advantages in doing so. It now appeared there was some hope of resolving it.

Nothing had arisen that specially concerned Canada and there had been no need or occasion for Canada to make a policy statement.

While he was in Europe he had held meetings with the heads of Canadian missions there, and in the Middle East, and had received interesting reports, particularly about the Arab world. A breakup seemed to be on the way with Jordan, Iraq, and Saudi Arabia forming a new front against Nasser, which was all to the good. Every effort was being made to get Israel not to take advantage of this developing situation. U.K. ships would soon start using the Suez Canal again, under Egyptian conditions, which on the whole were not too bad. Again, Israel was being persuaded not to try to run a ship through the canal as a test case at this time. Mr. Dulles' remarks in Europe on the terms of use were appropriate but what he might say in Washington on the subject was another matter.

24. *The Cabinet* noted with interest the report of the Secretary of State for External Affairs on the N.A.T.O. Ministerial Council meeting held in Bonn, and on the Middle East situation.

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625. DEA/50102-R-40

Procès-verbal de la réunion hebdomadaire des directions

Weekly Divisional Notes

CONFIDENTIAL [Ottawa], May 9, 1957

NATO MINISTERIAL MEETING — BONN MAY 2-4

Defence Liaison (1) Division: The NATO Ministerial Meeting held in Bonn last week afforded the NATO Foreign Ministers a useful opportunity to exchange views on the current political developments affecting the Alliance and to foster conditions for maintaining and developing a common NATO approach to the main political issues of today. No new or spectacular proposals were advanced, and none had been expected, but generally the meeting gave an encouraging indication of Atlantic Unity in spite of the continuing divisive forces with which it has been confronted, and of courage in the face of recent Soviet blackmail warnings.

2. The Government of Chancellor Adenauer took advantage of the presence of the Ministerial Council in Bonn to stress its interests in NATO, and to reaffirm its support of the Organization's present policies. Chancellor Adenauer helped, in his opening address to the Ministerial Council, to set the keynote of solidarity of the meeting by rejecting all suggestions of a neutral Germany or a neutral zone in the heart of Europe which would take Germany out of NATO. The fears which certain NATO Governments had entertained that the German Government might tend to use the meeting as a political instrument vis-à-vis the German electorate which is to be called to the polls next September did not materialize, and NATO Ministers were able to avoid charges of interference in the German election campaign.

3. In line with governments' wishes, there was no detailed discussion of the current military reappraisal, but there was a timely expression of agreement on the Alliance's intention to use all available means to meet any attack which might be launched against it. Mr. Dulles' reassurance on behalf of President Eisenhower, that the United States Government had no intention of reducing their military strength in Europe, was welcome in this context.

4. The length and range of the discussion on the Middle East showed a greater disposition by NATO Foreign Ministers, than had existed in the past, to review the problems effecting that area. There was some suggestion that Russian attempts at intervention in that region of the world may have been more active than generally assumed. The United States Secretary of State in particular surprised the Council by his emphasis on the degree of "Russianization" of the present Syrian administration. Mr. Dulles' statement showed a considerably hardened United States attitude towards Colonel Nasser, and indicated a United States belief that there was the beginning of a distinct cleavage in the Arab world on pro and anti communist lines. Some Ministers expressed the view, however, that in order to encourage the present trends, Western countries would have to maintain their present counter-pressure by continuing to support for instance, the Baghdad Pact, by developing more effective propaganda and by fostering more economic and cultural contacts with Middle Eastern countries.

5. The Ministerial Council felt that there had been since their last meeting, little change in Soviet policy, although they took cognizance of a new emergence of Soviet attempts at promoting a policy of peaceful co-existence. Yet the Council felt, in the light of the recent campaign of threats against certain NATO members, that the Russian leaders were still probably involved in the process of formulating a more definite policy towards the NATO governments, and towards Europe in general.

6. The Canadian delegation considered the final communiqué to be a useful and positive document.[86] While calling attention to the dilemma in which Soviet leaders are finding themselves, the final communiqué rejected in clear terms the flagrant Soviet attempts at

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[86] Voir Conseil de l'Atlantique Nord, *Textes des communiqués finals, 1949-1974*, Bruxelles: Service de l'information OTAN, s.d., pp. 110-112.
See North Atlantic Council, *Texts of Final Communiqués, 1949-1974*, Brussels: NATO Information Service, n.d., pp. 105-107.

interference in the internal politics of the Western countries. To this extent, the final communiqué gave a strong collective answer to the present phase of Soviet foreign policy towards Europe, and should have succeeded in creating an impact on NATO public opinion, especially regarding Western Europe's dependence on NATO. Although the German delegation was naturally anxious to have the communiqué place great emphasis on the problem of German reunification, agreement was possible on a formula which did reasonable justice to German expectations but which also avoided arousing unnecessarily Russian fears, and inflaming feelings in East Germany, and in the other satellites.

J.A. MCCORDICK
Defence Liaison (1) Division

9e PARTIE/PART 9

ISLANDE
ICELAND

626. DEA/501-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], May 10, 1956

ICELAND, CANADA AND NATO

A Norwegian newspaper has stated that recent developments in Iceland[87] offered evidence that the Atlantic Pact had not yet created the political fellowship among the member countries which was necessary in the long run for its very existence. It added: "Here, we in Norway can reproach ourselves for not having done enough to knit the bonds more closely with our near kinfolk in that island. A more wide-awake fellowship and more intimate consultation regarding differences and problems could certainly make unity in the Pact more effective." If this is a Norwegian failure, it is a Canadian failure as well. In considering the recent developments in Iceland, it is easy to accuse the Icelanders of selfish irresponsibility, but it is thoroughly unreasonable to say that they have renounced the obligations they undertook when they joined NATO. When they joined NATO, they made no commitment to permit the stationing of foreign troops; it was the Korean War which induced them to do so, and it is difficult to argue that there is more risk of an outbreak of war today than at the time NATO was founded.

2. Our Minister to Iceland reported after his recent visit "that public opinion in Iceland is almost unanimous in opposing the principle of occupation of Iceland by foreign troops in peacetime." At the same time, most Icelanders with the exception of the Communists

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[87] Le 28 mars 1956, le Parlement islandais, l'Althing, a adopté une résolution prévoyant la tenue de discussions avec les États-Unis sur la révision de l'accord bilatéral de défense conclu en 1951, pour obtenir le retrait des forces américaines stationnées en Islande.
On March 28, 1956, the Icelandic Parliament, the Althing, adopted a resolution which called for discussions with the United States on the revision of the 1951 bilateral defence agreement aiming at the withdrawal of U.S. forces from Iceland.

favour remaining in NATO. But this merely points up the failure of the NATO concept; rather than being proud to contribute to the effectiveness of the North Atlantic Alliance, to which they belong, by playing host to North Atlantic forces, they think of United States forces as foreign occupation troops.

3. This, it must be confessed, is a natural reaction to the fact that the forces in Iceland are exclusively United States forces. It might have been politically wiser if contingents from other NATO powers could have been stationed in Iceland; though it is worth emphasizing that the United States forces have, on the whole, behaved well.

4. The gravity of the present situation should not be magnified out of all proportion. Our Minister reported after his recent trip to Iceland (his despatch† is attached): "(1) The Althing did not demand withdrawal of United States troops from Iceland, but has requested revision of the military agreement with the United States; (2) Present relations between Icelanders and Americans in Keflavik are very good and have never been better; (3) Icelanders are confident that they themselves are capable of maintaining all present sea and radar installations in Iceland for defence purposes; and (4) Americans have trained Icelanders to man the air base and radar stations and are fully prepared to give Icelanders still greater responsibility in all the military installations in Iceland." In these circumstances, it should not be impossible to work out after the elections a compromise agreement providing for greater Icelandic control but allowing some United States forces to remain. It is possible, of course, that the election campaign may lead Icelandic politicians to take up positions which would make an acceptable compromise impossible.

5. But even if an agreement can be worked out, this will not solve the long-term problem: the problem of making Icelanders feel full-fledged members of a North Atlantic Community. Our Minister states: "There is no doubt about the fact that a great majority of the Icelanders are pro-Western, but the Communist Party is also unquestionably gaining influence." And the Communist Party is receiving skillful assistance from the Soviet Union. When the British fishing industry imposed a ban on the landing of Icelandic fish in the United Kingdom, in retaliation for Iceland's extension of her territorial waters, the Soviet Union stepped into the Icelandic fish market and the Soviet Bloc is now taking 29% of Iceland's fish exports. Considering that Iceland exports very little else, it has every reason to be grateful for the Soviet Union's timely intervention. In the meantime, Iceland's dispute with the United Kingdom has not yet been settled, and the U.K. Minister in Reykjavik is urging his Government, Mr. Ronning reports, to be prepared to escort British trawlers into Icelandic waters if Iceland extends its territorial claims beyond present limits, a move which would be scarcely designed to strengthen the feelings of fellowship between Iceland and its NATO partner, the United Kingdom.

6. The Soviet Bloc has not limited itself to increasing trade. Many Icelanders have been invited to Russia and China and a first-class Soviet cultural delegation has toured Iceland. China sent a contingent of its traditional opera company to perform in Reykjavik, and the Icelandic sagas have been translated into Russian. These are only some of the moves which have been taken to encourage friendly relations between Iceland and the Soviet Bloc. Clearly, the Soviet Union must believe that it is not wasting its investment in Iceland. I doubt if all the NATO countries combined have made anything like a comparable effort in Iceland, and this is important in a country where literacy and interest in the arts is high.

7. At a time when we are willing to spend considerable effort and large sums of money in the hope of keeping the uncommitted nations of Asia on our side, or at least neutral, it is, perhaps, worth spending a little effort and a little money on keeping Iceland in the NATO Alliance. In doing this, Canada might make a very useful contribution.

8. It must not be thought that the United States is not active in countering Soviet propaganda. However, the United States is not in the best position to convince Icelanders that NATO is more than an excuse for having United States occupation forces in Iceland, that, in fact, it reflects a genuine Atlantic Community of free and sovereign states. In addition, its very size and strength tends to frighten and over-awe the Icelanders.

9. Nor is the United Kingdom able to present Iceland with a very convincing picture of Atlantic cooperation in action. Norway and Denmark could do useful work, although Denmark is hampered by Icelandic memories of Danish rule; but both are members of the Nordic Council as well as NATO, and greater co-operation by them with Iceland would be more likely to strengthen sentiment favouring Scandinavian co-operation than to awaken a new enthusiasm for NATO.

10. Canada is a northern neighbour of Iceland and the only country outside of Iceland that has a sizeable body of citizens of Icelandic descent; they number only slightly over 20,000; but this, in relation to the population of Iceland, is as great as the number of French-speaking Canadians in relation to the population of France.

11. In the field of technical exchanges with Iceland, we have already taken a few modest steps. The Department of Northern Affairs and National Resources recently sent over samples of balsam fir seed collected in various parts of Canada for trial plantings in Iceland. We are sending 1,000 kilos of fescue grass seed, a type of grass which apparently does exceptionally well in Iceland. We have invited the officer-in-charge of their reforestation programme to visit Canada; it is interesting to note that this gentleman is at present visiting Kamchatka and parts of Siberia to obtain seed and seedlings. The Icelandic Government, in its turn, has invited one of our shelter-belt experts to visit Iceland at their expense.

12. We, ourselves, have received useful information from Iceland on the eiderdown industry, an industry in which the Department of Northern Affairs hopes to interest Canadian Eskimos.

13. This kind of technical exchange and assistance could probably be considerably expanded. For example, we might invite an Icelandic expert over to study our Experimental Farm methods. We could offer post-graduate fellowships in engineering and agriculture.

14. We can never become an important customer of Iceland, since we are a fish exporter ourselves. On the other hand, this very fact may mean that we could exchange information on fishery techniques which would be of use to both of us.

15. It is not suggested that Canada try to buy Icelandic friendship for NATO. Rather, that to convince Icelanders of the reality of a North Atlantic Community, it is essential to show a little community spirit, and one way is to share with Iceland any special skills we have which would be of use to her. It would be a pity if we continued to show less initiative in this regard than the Soviet Union.

16. Technical co-operation is not the only way we could show our friendship and respect for Iceland. It would be a simple matter for some Canadian Ministers to stop in Iceland when flying across the Atlantic. The Icelanders would probably be flattered at our desire to consult with them on international questions. The only occasion on which this seems to have been done was in 1951 when the Prime Minister's plane was forced to land at Keflavik.[88]

17. After the Icelandic elections, thought might be given to inviting the Icelandic President to pay a State visit to Canada. At the time of such a visit, we could discuss with the

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[88] Note marginale :/Marginal note:
I stopped over — a couple of years ago. L.B. P[earson]

President and officials who might accompany him ways in which technical co-operation could be increased between our two countries. A gesture of this kind might contribute in a small way to making Iceland feel more a part of a Western coalition, and to end their inevitable feeling of isolation, also, a visit might prove quite popular with Canadians of Icelandic descent.[89]

18. It has been argued in this paper that the recent resolution in the Althing calling for a revision of the agreement with the United States providing for the stationing of United States forces reflects a failure of NATO powers to make Icelanders feel loyal members of a genuine North Atlantic Community, and that, even if a satisfactory compromise can be worked out after the elections, the long-term prospects are not good if Icelanders do not develop a more deep-rooted loyalty towards NATO. It is suggested that Canada could make an important and, in some ways, unique contribution in reminding Icelanders of their full membership in the Atlantic Community. The practical consequences of our failure to do so might quite shortly be felt in attempting to extend the DEW Line across the northern Atlantic, as it has already been felt with regards to the proposal of a new transAtlantic cable, with landings planned on Canadian and Icelandic territory.

19. I propose, if you agree, that we investigate all steps which Canada can take towards this end.[90]

J. L[ÉGER]

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627. DEA/8887-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], August 23, 1956

VISIT TO ICELAND

You will recall that you had tentatively decided last June to visit Iceland on your return from Europe but this proved impossible. In spite of the fact that in the intervening period a government has been formed containing two communist members, I believe such a visit would still be of great use, particularly in trying to convince Iceland, which, to the best of my knowledge, has never been visited by the Foreign Minister of any major NATO power except yourself, briefly, a few years ago, that it is not being ostracised by the West. Indeed, if the present isolation continues, the Icelanders are more likely than ever to jump the wrong way.

2. In the attached telegram† (1519, August 1) Mr. Heeney reports that the State Department feels that something should be done to stimulate the Icelandic government to action with regard to the NATO security question and renegotiation of the defence agreement with the United States. The State Department suggests that the Secretary General of NATO might bring to their attention again the desirability of negotiating with the United States within the allotted six month period, or that one of the Scandinavian members of NATO

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[89] Note marginale :/Marginal note:
I agree [L.B. Pearson]

[90] Note marginale :/Marginal note:
Why shouldn't I stop off on the way home in July — after the elections? L.B. P[earson]

might do so. Mr. Heeney suggested that Mr. Lange might be able to do something along these lines.

3. I think that you could be of great help in this situation if you were to speak to members of the Icelandic government on the subjects of NATO security and the defence agreement on your return from the Paris meeting of the Committee of Three in September. You would be able at that time, having had an opportunity for discussion with your colleagues on the Committee, to express rather forcefully — and at the same time privately and without causing the Icelanders any embarrassment — the concern of all NATO members over the two questions. If you agree, we could ask Mr. Heeney to sound out the State Department informally on this subject. I think it might also be discussed by Mr. Ronning with Mr. Lange who had previously been in favour of your visit.

4. There are, of course, other good reasons for your stopping off in Iceland at that time. Your presence in Iceland, particularly on the occasion of your return from a meeting of the Three Wise Men, would go a long way toward convincing the Icelanders of their importance to the NATO community, a fact which deserves continual publicity if we are to expect their full cooperation in NATO affairs. Further, such a visit would make plain to the Icelanders the high degree of respect which Canadians have for them, and the interest which Canada takes in their problems. Finally, it would enable Canada to do something constructive toward the general furtherance of friendship among NATO countries.

5. The only objection to such a visit which I can foresee is that in attempting to impress upon the Icelandic people our respect for their nation and interest in their problems, it might also be interpreted as strengthening the present Icelandic Government. It is known that the United States would disapprove of any move of the latter kind, but it might be possible to arrange your visit in a way which would not admit of such an interpretation. It is also true that Mr. Gudmundsson will probably still be hospitalized at the time you would be visiting Iceland, but it is still possible that arrangements could be made for you to meet him. In any case, it is more important that you should meet the Prime Minister, Mr. Jonasson.

6. There is also the possibility that the press would interpret your visit at the end of the Committee of Three discussions as charged with special responsibilities by NATO for negotiations with the Icelanders, but I think we could successfully get around this.

7. Mr. Ronning assumed that you would be stopping off in Reykjavik on your way to the Paris meeting (his letter No. 22 of August 4† is attached), but we have informed him that it is now more likely that your visit, if it takes place, would be on your way back[91] (our telegram SS-95, August 15,† attached). If you agree that such a visit is desirable, I would appreciate your comments on Mr. Ronning's inquiries (paragraph 4 of his letter) as to whether you would like to give a dinner in Reykjavik, whether he should give one,[92] or whether you would prefer that your visit be kept as informal as possible. He also thinks that the President would probably like to give you a luncheon, and he would appreciate knowing the exact date of your arrival, so that he may inform the Icelandic authorities.

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[91] Note marginale :/Marginal note:
Yes [L.B. Pearson]

[92] Note marginale :/Marginal note:
This, I think [L.B. Pearson]

I assume you would wish Mr. Ronning either to accompany you, or to fly in in advance.[93] The latter might be preferable.

J. L[ÉGER]

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628. DEA/8887-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], August 30, 1956

YOUR PROPOSED VISIT TO ICELAND

In accordance with your comments on our Memorandum of August 23, copy attached, we asked our Embassy in Washington and Canada House to sound out the State Department and the Foreign Office as to their reactions to your proposed visit to Iceland on your return from the Committee of Three talks in Paris. As you will have seen, the State Department "think well" of the visit and consider that it would serve a most useful purpose, for reasons very similar to those which prompted our suggestion. We have not yet heard from London but you may in any case have an opportunity of speaking to Mr. Selwyn Lloyd about it on Monday. We have also asked Mr. Ronning to stand by for your instructions from Paris, when your plans are more definite, and to hold himself in readiness to come to Paris for consultations with you before flying to Reykjavik ahead of your party.

2. Since you will have Mr. Ronning's advice in Paris before your visit, and since you will also have the benefit of consultations with Mr. Lange as well as with the United States and United Kingdom representatives in Paris, we shall not attempt in this paper to provide you with anything more than a few preliminary ideas regarding your visit, to be supplemented by telegram later if necessary. The Department is working with National Defence representatives on a general background paper† on Iceland which is to be discussed by the J.I.C. on September 5. So as to provide Mr. Wilgress with adequate background information we shall be sending him a copy of the J.I.C. paper in draft by tomorrow's bag and intend to wire any substantive changes or comments to Paris in time for the NATO Council meeting on September 6 when Iceland is to be discussed. The final J.I.C. paper will therefore be available to you in Paris; a copy of the preliminary draft is attached herewith.

3. I am also attaching, as basic documents for your brief, the following:

(a) State Department Memoranda of August 2 and 8;

(b) The NATO Council communiqué of August 3;[94]

(c) The Icelandic Government's Note to the United States Government of July 29.

4. From our rather limited vantage point, there seems to have been a good deal of fumbling over the two questions of primary concern to Iceland — their dispute with the United Kingdom over fish, and their desire to secure the withdrawal of United States military forces from their territory. Although these two questions are undoubtedly con-

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[93] Note marginale :/Marginal note:
Yes L.B. P[earson]

[94] Voir/See United States, Department of State, *Bulletin*, Volume XXXV, No. 895, August 20, 1956, pp. 306-308.

nected in the sense that Icelanders feel they should have had more sympathetic consideration from the United Kingdom Government as a NATO ally than they have in fact received, the only problems affecting NATO as such are the questions of renegotiating the United States-Icelandic Defence Agreement, and the provision of security arrangements which will prevent sensitive NATO material from reaching at least the communist members of the Icelandic Government.

5. With regard to the problem of restricting the flow of secret NATO material to Iceland, the necessary practical measures have already been taken by the Council. Although no reply has yet been received to Lord Ismay's note to the Icelandic Government, the American Ambassador in Reykjavik has been told by Mr. Anderson, the Icelandic Permanent Representative, that Iceland is prepared to continue for the present the informal arrangements approved by the Council and that he will absent himself from meetings of the Permanent Representatives unless requested to attend. Nevertheless the whole situation is uncomfortable and untidy and no real solution has been proposed for political consultations on sensitive matters at Ministerial Meetings of the Council. For the time being, however, the United States Government appears to be reasonably satisfied with the precautions taken and from our own point of view it seems better not to force the issue in such a way as to make the Icelandic Government conclude they are no longer welcome as NATO members.

6. It is precisely this feeling that they are being ostracized — that neither the United States nor the United Kingdom will negotiate with them and that NATO is afraid they will pass Western secrets to the Russians — that we hope might be partly erased by your visit. Both the Progressives and the Social Democrats wish Iceland to remain in NATO. The Prime Minister, Mr. Jonasson (the Leader of the Progressives) has made several statements to this effect since the election; and we have no reason to doubt their sincerity.

7. The Icelandic Government has been equally sincere in demanding that all United States troops should be withdrawn from their territory. They see no reason why, in the present international situation, they should not be given by NATO the same treatment accorded Norway and specifically spelled out by Iceland at the time of its accession to NATO — no foreign troops on their territory in time of peace.

8. Since you will not in any sense be negotiating with the Icelandic Government either for the United States or for the United Kingdom or for NATO, you may be able to form some impression of the intentions of the non-communist members of the present Government. As we indicated in an earlier telegram to Mr. Wilgress (No. SS-89 of August 10,† copy attached), if it came to the point of NATO having to choose between having fewer United States troops in Iceland or seeing Iceland withdraw from NATO, there could be no question of where our interests lie. Though it would create other problems of pay and discipline, a good many United States troops could no doubt be replaced by civilians, both Icelandic and (for the care and maintenance of sensitive equipment) American. The Progressive Party of Prime Minister Jonasson has recently indicated that — contrary to its earlier demand for the complete withdrawal of all U.S. troops — it would now be prepared to see American technicians maintaining the base in readiness for re-occupation by troops in case of emergency. This means that the presence of American civilians to maintain the base is accepted by parties holding 36 out of 52 seats in the Althing and supported by 58% of the popular vote. It should nevertheless be remembered that the official position of NATO is that United States troops are required not only to maintain the base but to defend a strategic outpost of the Alliance which would be costly to recapture. But with only some 4,500 troops of all categories on the island now, it is already lightly defended.

9. Whether either the United States Government or (in the case of the fish dispute) the United Kingdom Government would be prepared to make concessions to the present Government of Iceland is open to question, unless perhaps the leaders of either the Progressives or the Social Democrats (or both) were prepared to form a coalition government with the Conservatives subsequently and exclude the Communists as the *quid pro quo* for concessions towards the Icelandic point of view on both major issues.

10. The Icelandic economy is not in a healthy state, and one of the more serious results of a sudden withdrawal of U.S. forces (and the consequent loss of 18% of Iceland's total national income) would be an intensification of this economic crisis. The Icelanders themselves seem completely complacent about these dangers, and one of the aims of your mission might be to warn them of the economic results of the course they seem determined to follow. Another aim might be to bring home to the Icelandic leaders the disquiet felt in all NATO countries about their policies. Already Iceland's foreign trade is relatively more heavily involved with the Soviet bloc than that of Egypt; and the Ministries of Fisheries and Commerce are in Communist hands.

11. If the stalemate continues and the United States Government refuse to negotiate with the present Icelandic Government until, as they say in their Memorandum of August 2, the question of the "status of Iceland in NATO" is clarified, it may be necessary to apply to Iceland, with the consent of the parties, some such procedure for pacific settlement of disputes as has been suggested in the United States Government's reply to the NATO questionnaire on political consultations. We sent you on August 28 a separate Memorandum† on this question, which was discussed last week in Washington by the Canadian Working Group and the United States Task Force. No doubt you will be having further discussions on this point in Paris during your Committee of Three talks.

12. The above ideas have not been discussed outside the Department, still less with other Governments, but they may assist you in your talks on Iceland both in Paris and (we hope) in Reykjavik.

J. L[ÉGER]

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629. DEA/8887-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le premier ministre

Memorandum from Deputy Under-Secretary of State for External Affairs to Prime Minister

CONFIDENTIAL [Ottawa], September 5, 1956

MR. PEARSON'S VISIT TO ICELAND

1. Before he left for Paris Mr. Pearson agreed with our recommendation that it would be useful from a NATO standpoint as well as from the point of view of Canadian interests if he were to visit Iceland on his way back to Ottawa towards the end of this month.

2. We have discussed the possibility informally with the State Department and the Foreign Office and they have reacted very favourably.

3. The Minister has now cabled from Paris that Mr. Ronning is also strongly in favour of the visit and could go to Paris this week-end before going on to Iceland to prepare for the Minister's short informal visit. The Minister is willing to make the visit if you agree that he should.

4. I am enclosing a copy of our memorandum to the Minister of August 23 which explains why we consider the Minister should make this visit. Do you agree?[95]

R.M. M[ACDONNELL]

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630. DEA/8887-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM SS-168 Ottawa, September 14, 1956

SECRET

Repeat London, Paris, Washington (Routine)(Information).
By Bag Oslo, Stockholm, Copenhagen, Brussels, Hague, Bonn, Moscow.

YOUR VISIT TO ICELAND

Following for the Minister. Begins. We have sent you by bag material† on Icelandic-Canadians which I think will prove useful and we will supplement this with anything else that comes to hand. We will also send you telegrams on the specific questions of Canadian relations with Iceland, and the UK-Icelandic fisheries dispute though I presume the most up to date information on the latter problem will be sent to you directly by Canada House (*vide* Mr. Robertson's telegram NATO Delegation No. 68 September 11†). On the more urgent problem of Iceland and NATO the following comments may serve to complete the briefs which we gave you before your departure for Paris.

2. The security aspects of the question of Iceland's participation in the work of NATO were again discussed in the Council on September 12 and a generally satisfactory temporary solution seems to have been worked out. It is still dependent, however, on the character of the Icelandic Permanent Representative in NATO, the composition of the Icelandic Foreign Ministry, and the assurance that it operates pretty much as a self-contained unit in the Icelandic Government.

3. But we are not much further ahead with regard to the general problem of Communist or pro-Communist Ministers in the government of a NATO country. This question may indeed be complicated by the recent developments since the Foreign Minister can now claim that Iceland has done everything possible with respect to her security commitments under NATO, and that any further approach to Iceland on the matter by foreign powers would constitute interference in Icelandic domestic affairs. We may have some further clarification within the next ten days which may assist you if you should decide to discuss this ticklish question with the Icelanders.

4. More important probably is the question of principle, and we would hope it might be possible for you to bring home to the Icelanders the extent of disquiet that this action in bringing Communists into the government of a NATO country has aroused. This isolation of the Icelandic leaders from outside opinion does seem to be a vital factor in the situation.

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[95] Note marginale :/Marginal note:
I do agree L. St.-L[aurent]

5. If you consider that you can speak frankly to the Icelanders about this the best way is probably still to indicate that NATO is a "two way street", and that if Iceland expects her NATO partners to look sympathetically on her problems, it will be necessary that she herself reciprocate by fully recognizing her own NATO responsibilities, i.e. both as regards a contribution of some sort to the common defence, and in relation to the presence of Communists in the government.

6. Which Icelanders it would be worthwhile taking the above line with is difficult to decide. It has been pointed out before that it will, of course, be non-Communist leaders both in and outside the Althing with whom it will be most valuable for you to have talks, but the problem is somewhat more complicated than this above indicates. In the first place, it would probably not be of too much value to concentrate on the leaders of the Independence Party, since we already know that they agree with other NATO members on most points. Rather, they need to be convinced of the necessity of solving their difficulties with the progressives and once again forming a coalition in which no Communists participate — but this is obviously not an easy matter for a visitor to discuss with his hosts.

7. Probably the best possibility of success in this area is to be met with in conversations with leaders of the non-Communist parties other than the Independents, since here it would be possible to emphasize the duties and privileges of NATO members in the abstract without mentioning any political changes which would be necessary to fulfill these duties, and yet getting the latter point across. In this regard, Mr. Herman Jonasson, the Prime Minister and Leader of the Progressive Party is probably the most important individual to whom you will be speaking. Mr. Ronning will no doubt have spoken to you about him, but one or two points will perhaps bear repeating. To begin with, it has been said that it was Mr. Jonasson's desire to become Prime Minister before the visit of the Danish King and Queen last spring which was in large measure responsible for his pressing the Althing to vote for a negotiation of the base question before the election. That is to say, Mr. Jonasson hoped that by forcing the issue in the Althing he could force Mr. Olafur Thors out of office and himself form a government. Had he succeeded in this manoeuvre, he would possibly have been able to stave off elections until 1957. It is possible, then, since Mr. Jonasson is apparently not opposed to Iceland's NATO participation in principle (his speeches make this clear) that he could be persuaded that Iceland's NATO responsibilities are more important than his difficulties with the Independents, and that a realliance with them is the only satisfactory solution to Iceland's long-term problems.

8. Whether or not it is possible to convince Mr. Jonasson of this, it does appear that some such development is necessary if Iceland's position in NATO is to remain secure, for unless the Progressives and the Independents are willing to make up it would be difficult indeed to form a government without Communist support, and hence without Communist participation, since it seems unlikely that such support would be offered without something in return. It is, of course, true that an alliance of the Independents and the Social Democrats would have a majority of two seats in the Althing, but there appear to be differences of principle between them which presumably could not be disposed of as easily as those between the Progressives and the Independents, if there is some truth in the view that the differences are caused to some extent by personal reasons.

9. Of course, it will be difficult for you to discuss the above questions openly with the Prime Minister of a host country, but it is nevertheless probable that some such solution will be necessary in Icelandic internal politics before a lasting answer to Iceland's NATO problem is arrived at.

631. DEA/8887-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM Ottawa, September 28, 1956

SECRET. MOST IMMEDIATE.
Repeat London, NATO Paris (Information).

VISIT TO ICELAND[96]

Could you please have the following personal message delivered to the Secretary of State before the opening on Monday of the conversations that the State Department are having with the Icelandic Delegation on the Keflavik base agreement, begins:

Dear Foster [Dulles]:

You may be interested in learning that on my way home from Paris I had a most pleasant, and I think useful visit to Iceland where I was given a very warm welcome and discussed NATO and related questions with the President, the Prime Minister, the Foreign Minister and others. In this connection your Ambassador and General White were most helpful in briefing me on the current situation in Iceland as they saw it. Incidentally, all the Icelandic leaders whom I met spoke in high terms of your representatives.

I left Iceland convinced of the goodwill of the political leaders (apart of course from the Communists) and of their sincere desire that Iceland should remain a loyal member of the NATO coalition and supporter of the West. They assured me that in this respect they were reflecting the wishes of the great majority of the people of Iceland. Nevertheless, the situation is, I think, one which gives real cause for worry. Politically the present Government is committed to a modification of the existing agreement governing the base. I did my best to emphasize to the Prime Minister and the Foreign Minister that the international situation now was such that the importance of this base in collective defence was as great as it was during the emergency of 1951, though the character of the danger may have changed. I feel, however, that while they may appreciate this they are also most anxious to have some modification of existing arrangements which will remove the impression of a permanent military occupation, something which runs counter, of course, to all their instincts and which the Communists naturally are exploiting. Indeed, the problem is almost as psychological as it is political and has its roots deep in the history and traditions of the country.

The political situation is complicated and made more worrying by the fact that the Soviet Union is getting a firm hold on the economy of the Island. If to economic penetration is added, as seems possible, financial help from Moscow for development of resources, the whole Western position and influence on the Island will be prejudiced. Most of those to whom I talked seemed no longer to worry very much about the fisheries dispute with Great Britain now that the Russians are taking their surplus on advantageous terms.

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[96] Pearson était en Islande du 24 au 27 septembre.
Pearson was in Iceland from September 24 to 27.

On the whole, I was reassured by the good feeling toward the West which I encountered, but worried about a trend of political and economic developments which may well alter that feeling in the long run.

I saw a lot of the new Foreign Minister and consider him to be a man of integrity and sincerity; one whom I feel we can trust. I think you will share this appreciation after you have met and talked with him. He told me that he was going to Washington both in fear and in hope. He most sincerely hopes that the discussions which are beginning will lead to a mutually satisfactory arrangement, but he is afraid that strictly military considerations on the one hand, and Icelandic political difficulties on the other may make that difficult.

Mr. Muccio is, of course, in a far better position to advise you on these matters than I am, but I thought you might be glad to get my observations even if they are based on only a short visit and must therefore be necessarily somewhat superficial in nature. L.B. Pearson. Ends.

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632. B. of C./GMA 9-3-4

L'ambassadeur en Norvège
au secrétaire d'État aux Affaires extérieures

Ambassador in Norway
to Secretary of State for External Affairs

DESPATCH NO. 29 Oslo, October 9, 1956

SECRET

ICELAND

For the record and information of some Divisions in the Department, I am reporting briefly some of the interviews that I had with Icelandic officials in preparation for, and during, your visit.

Interview with Prime Minister

2. In a forty-five minute interview with the Prime Minister, he smilingly assured me that Iceland's Western friends need have no fear that Iceland was drifting towards Russia or that Iceland was anti-American. Due to the fisheries dispute with the United Kingdom, he explained that Iceland had been forced to sell fish to the USSR and a number of the Russian satellites. In consequence, Iceland had imported Russian goods. Iceland, however, was "Western" in its sympathies and democratic in its way of life. Iceland wanted to remain allied with its Western friends and desired to increase trade with the democratic nations in preference to the USSR and its satellites. The life of Iceland, however, depended on its fishing industry. If Western nations could not supply the market, Iceland was forced to look elsewhere.

3. The Prime Minister emphasized that Icelanders were not anti-American. American troops stationed in Iceland had behaved as well and better than could be expected, but Iceland feared the impact of American military people on Iceland. It was true, he said, that the American military personnel wore uniforms when they left the base at Keflavik and came to the cities of Iceland for short visits. Many of these military people rented flats and houses which they maintained for their private purposes, especially in Reykjavik. This was due, he thought, to the fact that troops were stationed more or less permanently in Iceland and had not brought with them their families. It was impossible to know how many Ameri-

can troops were on the streets of Reykjavik because they left their uniforms in their rented flats and went about dressed like civilians. Their influence on the Icelandic way of life was, in the Prime Minister's opinion, not good. Icelanders were therefore determined that there should be no foreign troops stationed "permanently" in Iceland during peacetime. Mr. Jonasson emphasized, when Iceland had in the first place consented to draw up an agreement with the United States, Mr. Acheson had promised representatives of Iceland, including the present Foreign Minister, Mr. Emil Jonsson, that American troops would not be stationed in Iceland during peacetime. It was upon this condition that the United States had been given the right to establish bases in Iceland and the people of Iceland had been given this assurance in election campaigns.

4. When I asked the Prime Minister if it was not necessary to permit the stationing of a minimum number of permanent troops for the protection of the air base and the radar stations, he replied that whatever protection might be necessary could be given as effectively by non-permanent military personnel. He stated that Iceland had no objection to permanent "specialists" to operate the complex electronic devices at the air base or the four radar stations. The protection of the base and these stations could be carried out by troops on manoeuvres who rotated from one NATO base to another. Mr. Jonasson gave me the impression that Iceland was prepared to compromise along these lines, but that his government was determined not to have permanent troops stationed in Iceland during peacetime. If there was an attack or a threat of an attack by the USSR, it would be necessary to bring in reinforcements even if the present number of permanent troops were in occupation of the base. In his opinion, troops on manoeuvres, together with the specialists, could bring in necessary reinforcements just as capably as the present type of personnel. He left me in no doubt that his government was determined to carry out the policy of non-permanent foreign troops in Iceland during peacetime.

5. I asked the Prime Minister when he expected negotiations with the Americans to start and if the six-month period for revision of the agreement was considered to have started on August 1 or whether the six-month period would be considered to start only after actual negotiations begin. Mr. Jonasson would give me no definite reply in this regard. He said that the Ambassador of the United States would probably leave very shortly for consultations in Washington and that immediately after your visit the Prime Minister would go to Washington for consultation with Mr. Dulles. His talks would be in the nature of preliminary discussions prior to the commencement of negotiations.

6. The reasons negotiations had not started sooner, Mr. Jonasson said, was entirely due to American hesitation to start discussions on revision of the agreement prior to a satisfactory settlement of the security problems raised in Paris. This conversation was held prior to the more or less satisfactory temporary arrangement with Mr. Hans Andersen, and the Prime Minister was evidently considerably disturbed about the situation. I am certain that neither Emil Jonsson nor Hans Andersen had briefed the Prime Minister in regard to all aspects of the developments which took place in Paris and had put the matter to the Prime Minister in the most favourable light possible to prevent him from making rash decisions. The Prime Minister, however, knew enough about the situation to be considerably ruffled. He said that, since Iceland had no military forces, Iceland was not interested in NATO documents pertaining to military matters. The documents which Mr. Andersen had received had been returned and the few documents in Iceland had been destroyed. The NATO partners of Iceland need have no fear of the security problem as far as the composition of the Icelandic Government was concerned. The Ministers of the Cabinet were independent of each other and the Foreign Minister was under no obligation to inform other Ministers what was taking place in his Ministry with respect to relations with NATO. Mr. Jonasson was most

emphatic in stating that, if resolutions were put on paper in the NATO Council denying the Icelandic representative the right to documents or the right to attend Council meetings, Iceland would "withdraw from NATO in one hour". The Icelandic people, he said, could be depended upon to support such action. Mr. Jonasson expressed the hope that the instructions given to Mr. Andersen would be satisfactory and that the security problem would be solved. This would enable negotiations with the United States on revision of the agreement to be started without further delay.

7. In discussing the security situation, Mr. Jonasson expressed the opinion that Icelanders would resent any attempt by other NATO members to bring pressure upon Iceland on account of the composition of the Icelandic Government. Any such pressure, he said, would serve only to bolster up the position of the two Cabinet Ministers to whom other NATO countries objected and give them more popular support than they had at the present time.

8. Turning to the financial situation, the Prime Minister admitted that his Government was considerably worried. They hoped to be able to take remedial action of some sort before the end of the temporary period (to the end of December) during which the spiralling of wages and prices had been stopped. Mr. Jonasson stated that it would have been impossible to have frozen wages even for a short period if the Labour Alliance had not been represented in the Icelandic Government by two Cabinet Ministers. He then went on to talk about the report which had just been given him the day before by a committee of international experts headed by Dr. Polak. I had had a chat with Dr. Polak the previous day and had learned that perhaps the most important measure recommended was action to increase the exchange value of the Icelandic kronor from the present rate of 16.25 to the United States dollar to about 25. This would bring it into closer conformity with its actual value. The Prime Minister was of the opinion that there was much merit in the recommendation. He felt, however, that it would be very difficult to carry it out due to the effect it would have on savings and investments. He added that, while the financial situation in Iceland was not good, it was certainly not as bad as it had been painted. I think perhaps he was referring especially to the warning that had been given continuously by Vilhjalmur Thor, one of the three directors of the Bank of Iceland. Dr. Polak and his associates, however, had found that the situation was not as bad as they had expected to find it. They decided to state the facts as they saw them. The Prime Minister added that, in his opinion, more important than changing the value of the Icelandic kroner was the necessity of encouraging the investment of more foreign capital in Iceland.

9. Before the end of our discussion, Mr. Jonasson again referred to the fishing dispute with the United Kingdom. The fishing ban, he stated, had caused great difficulties to Iceland in the initial period. Icelandic trawlers had for a period of many decades accepted the delivery of fresh iced fish to the United Kingdom market as the most important feature of the industry. The fishermen brought back with them British goods which were less expensive and better than they could obtain elsewhere. Customs officials closed their eyes to this importation of personal goods and the practice was an inducement to fishermen to continue hard and hazardous work. After the ban, Iceland had adjusted itself to the new situation by processing a large portion of its annual catch. Plants were constructed to fillet, freeze and package fish. This had provided employment for Icelanders and greater profits for the fishing industry. Many people engaged in the fishing industry now were hoping that the United Kingdom would not lift the ban. Exports to the United States were increasing and new markets were being developed in Africa. The USSR accepts all their surplus.

10. In regard to the fisheries dispute, I had a short discussion with the new Minister of Fisheries, Mr. Ludvik Josepsson, immediately after the dinner given you by the Foreign Minister at the official residence on the evening of the day you arrived. I was surprised to learn from him that certain Icelandic seagoing trawlers were still interested in delivering fish to the United Kingdom and that the people in Iceland engaged in the fishing industry were not unanimous in their indifference to the reopening of their former markets in the United Kingdom. That Mr. Josepsson should express this opinion to me was a surprise, in spite of the fact that I knew that both he personally and the Communist-dominated cooperatives in Iceland own a number of seagoing trawlers. It is probably due to this ownership that Mr. Josepsson is not as opposed to having the ban lifted as I thought an Icelandic Communist would be.

Interview with the President

11. On the morning of Saturday, September 22, the President and his wife invited me to their official residence, Bessastadir, to discuss details in connection with Mrs. Pearson's and your visit. I expected to stay for ten or fifteen minutes, but the President became so involved in discussing the political situation in Iceland that he kept me for an hour and a half, going over a great deal of ground with which I had been made familiar by others. I was, however, extremely interested in his point of view.

12. The President informed me that he was not proud of what had happened in Iceland nor of the way in which the new government had been formed. He sincerely hoped that the whole question of the air base at Keflavik could be removed from internal politics and that the deciding factor could be the importance of the base to Iceland in fulfilment of responsibilities to Iceland's NATO partners.

13. The President discussed with me the security problem in the NATO Council which he seemed to appreciate very fully. He said to me that he would inform me very secretly that, when he had learned of the Prime Minister's threat to pull out of NATO if Iceland were denied documents or the right to sit in NATO Council meetings, he had told Mr. Jonasson that, if he did not wish Iceland to be regarded as a second-class NATO partner, he should not have employed second-class methods to form a government. The President then asked me to pass on to you the advice that it would be advisable for you to give the Prime Minister, during all social functions connected with your visit, the impression that he was an important personage.

14. The President also commented on the excellent relations that existed between Iceland and Canada. He was most happy to have a visit from you and stated that there was no one in NATO who could do more to help the Icelanders understand the situation than you. In this respect, he also gave a great deal of credit to Mr. Lange and to Mr. Spaak. He expressed confidence in your sympathetic understanding of the situation in Iceland and felt that your visit would be a most useful factor in helping Icelanders to understand the importance of NATO. The Icelandic people, he said, had everything in common with the Western democratic nations and peoples. He was certain that all Icelanders, with the exception of a few out-and-out Moscow Communists, were most desirous of remaining within NATO and identifying their interests with those of the people of the West.

15. In asking me to express to you his welcome and that of Mrs. Asgeirsson, the President said that he did not ordinarily accept invitations to diplomatic dinners, but that he was most happy to have the opportunity to accept the invitation which had been extended to the dinner which Mrs. Pearson and you were giving.

Officer Commanding Keflavik Air Base

16. Prior to your visit, General James White invited me to visit the Keflavik air base. Together with the Ambassador of the United States and the Minister of the United Kingdom, I was shown the main points of interest at the base. We were given the benefit of a lengthy briefing and a frank discussion with the General and his two assistants who are in charge of the Army and Navy units stationed at the air base. The General insisted that the four radar stations strategically located roughly at the four corners of the island could only be manned by people specially trained for this purpose over a long period of years who were subject to army discipline. It was true that Icelanders had been trained for much of the work being done at the air base, particularly the management and operation of the flying of both military and civilian aircraft in and out of the base. It would be an almost impossible task, however, to train Icelanders to operate the radar electronic equipment as Icelandic civilians could not be subject to the rigid discipline essential for continuous 24-hour operation of the four very strategic radar stations. I asked the General if the efficiency of the air base at Keflavik would be seriously affected if military personnel other than the specially trained operators were rotated and made non-permanent according to Icelandic wishes. The General's reply was that, if a sufficient number of the specially trained military personnel operating the complex installations could be permanent, the base would not be too seriously hampered by a rotation of the military defence personnel. In fact, he was certain that the military people involved would be most pleased to have shorter periods of service in Iceland and, if they were forced to adopt such measures, it would boost morale. The General concluded, however, that although Icelandic wishes might be met in regard to their demand for a much smaller number of permanently stationed military people by rotating the personnel required strictly for defence, it was nevertheless a most dangerous principle to start compromising with this Icelandic demand. It would enable Icelanders to state that they now had the Americans on the run and they would never give up until the Americans were completely driven out. "Give them an inch," he said, "and they will not rest until they have taken a mile." He did not think it was any solution to the problem to give in to Icelandic demands. He hoped that Icelanders would be faced with the position that their demands could not be met and that it was their responsibility to NATO to permit the base to continue operation as at the present time.

17. The Ambassador of the United States, Mr. John Muccio, was present during our discussion and stated very frankly to the General that, while it might be militarily desirable to maintain the base as at present without making any concessions to the Icelanders, he feared that it was politically essential to make concessions to the Icelanders in a revision of the present agreement. Mr. Muccio, however, hoped that a compromise could be reached which would not too seriously affect the efficiency of the air base and the radar stations.

The Minister of Education

18. In a discussion with Mr. Gylfi Gislason, I learned that before three portfolios had been given to the two representatives of the Labour Alliance, important responsibilities had been withdrawn from two of these portfolios. When the member of the Communist Party, Mr. Ludvik Josepsson, was offered the Ministry of Trade and Commerce, it was with the understanding that he would not have control of the banks of Iceland. Certain important functions were also withdrawn from the Ministry of Social Affairs before Mr. Hannibal Valdimarsson was granted that portfolio.

19. Mr. Gislason informed me that they had very good evidence that Mr. Olafur Thors, leader of the Independents (Conservative Party), had offered the Communists considerably more to get their support to form an Independent government with Labour Alliance

cooperation. It was due to these attractive offers that the Communists were able to make such great demands to the Progressive-Social Democrat coalition. Mr. Gislason said that he was personally opposed to, and afraid of, Communism. He was certain that the number of pro-Moscow Communists in the Labour Alliance were very few, although he admitted that they had great influence. He also stressed the independence of Icelandic Cabinet Ministers to one another and emphasized that the Communists would not in any way influence the present Icelandic Government's foreign policy.

The Minister of Finance

20. At the luncheon attended only by you, the Prime Minister, the Foreign Minister, the Minister of Education, the Minister of Finance, Crépault and me, the Minister of Finance, Mr. Eysteinn Jonsson, who is also very evidently anti-Communist, stated that they had agreed to accept "one and a half Communists in the new government in order to smoke out the Communists". The Labour Alliance, he claimed, was dominated by genuine Communist leaders. The great majority of the supporters of the Alliance, however, were not pro-Communist. He felt that by giving Communists responsibility in the government, the differences between the genuine Communists and those who supported the Communist policies of the Labour Alliance for other reasons would become so acute that the genuine Communists, who never admit that they are members of the Communist Party, would have to show their cards. If they could be thus exposed, their influence could be terminated. Mr. Jonsson did not seem to fear that the Communists might learn of these tactics as he seemed to think that the genuine Communists knew that one of the reasons for offering them positions of responsibility was the hope that the Progressive-Social Democrat coalition could smoke them out. The hope of the Communists was, of course, that they would be able to outmanoeuvre and eliminate the Social Democrats from their influence in the Labour Alliance. From other Social Democrats I learned that the appointment of Hannibal Valdimarsson as the Minister of Social Affairs was a part of the manoeuvre by which they hoped eventually to outwit the Communists.

21. During the discussion, Mr. Eysteinn Jonsson stated that the doors of the World Bank were closed to Iceland. The Icelandic Government was in need of a loan for carrying out certain specific projects. They had been denied a loan from the World Bank on the grounds that the projects were government undertakings rather than private. You mentioned that you would speak about this matter to the Canadian representative. The Minister of Finance emphasized that Iceland was not asking for a gift or outright assistance. They needed a loan. He expressed the fear that, since there was at least one Communist in the Icelandic Government, the USSR might offer financial assistance which it would be difficult for the Icelandic Government to turn down if there were no alternative loan available from the Western nations.

Interviews with Icelandic Businessmen

22. I talked with a number of businessmen in Reykjavik who were most unhappy about having Communists in the Icelandic Government and the efforts of the Government to expel American military forces from Iceland. Two or three of these businessmen, however, said to me that they had told Mr. Oalfur Thors, former Prime Minister and Leader of the Conservatives, that he should stop criticizing the present Prime Minister for having taken steps to stop the spiralling of prices and wages as these measures were most necessary. The redeeming feature, these businessmen thought, of having Communists in the government was that these Communists, without consultation with the members of the trade unions which they dominate, had compelled the workers to accept a government decision which

could not have been carried out without serious strikes if the Communist leaders of the Labour Alliance did not share responsibility for this decision.

23. Mr. Gunnar Asgeirsson, of the firm Björnsson & Asgeirsson, is interested in promoting closer trade relations between Canada and Iceland. He believes there is a market in Iceland for more Canadian products. In fact, he believes that the air base at Keflavik could use a number of Canadian products. He suggested that the Canadian Chamber of Commerce should send to the Chamber of Commerce in Iceland publications and literature, especially from firms interested in selling their products to Iceland. Mr. Asgeirsson is a leading member of the Icelandic Chamber of Commerce. He will personally assist any Canadian firm in getting in touch with appropriate Icelandic agents for the sale of their products in Iceland. Another person who could be of assistance in this regard is Thoraldur Asgeirsson, who is a son of the President and an important official in the Ministry of Trade and Commerce. You may wish to refer this matter through the Economic Division to appropriate Canadian authorities.

C.A. RONNING

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633. DEA/50376-40

Note du chef de la Direction européenne
pour le chef de la Direction économique

Memorandum from Head, European Division,
to Head, Economic Division

SECRET [Ottawa], November 6, 1956

ICELAND

The Counsellor of the United States Embassy called today and on instructions from his government outlined to me the terms of the aide-mémoire presented to the Icelandic delegation on October 25. The United States, according to the aide-mémoire, were prepared to make the following four offers to Iceland:

(a) The United States were prepared to assist in Iceland's financial needs and would place at the disposal of the Icelandic government a loan of three million dollars. They would wish to enter immediately into discussions of the best ways by which Iceland could be aided financially. The conclusion of this agreement need not necessarily await the successful conclusion of the negotiations on defence. Indeed the financial agreement could be concluded as soon as the United States were satisfied about the probable outcome of the defence agreement.

(b) The United States were prepared to consider accepting all the foreign exchange costs on the Upper Sog Hydro Electric project, though this would be dependent on a proper arrangement being made for the purchase of power for the defence base. The conclusion of this agreement would have to await the signature of the defence agreement.

(c) The United States were prepared to consider the purchase of commodities by Iceland under United States Public Law 480. Provided this was concluded in time the United States would present this proposal concurrently with the defence agreement. A portion of the proceeds could be turned over to Iceland for capital investment purposes.

(d) With regard to longterm development projects, the United States were sympathetic and at an appropriate time would consider the financing of specific projects on their economic merits.

2. The Assistant Secretary of State, who gave the aide-mémoire to the Icelanders, added orally that a good deal would depend on Iceland's willingness to contribute to the defence of the free world, and its readiness to help itself economically. Mr. Hoover also added that the United States were prepared to discuss the development of new markets for Icelandic products outside the Soviet bloc.

3. Mr. Rewinkel asked for Canadian reaction and some indication as to whether we had any plans for aiding Iceland. I said I would prefer to study their proposals first and I will look into the political implications of the U.S. proposals.

4. I should be grateful for your comments and, if possible, some indication of the likelihood of any Canadian aid to Iceland.

R.A.D. FORD

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634. DEA/50376-40

Note du chef de la Direction économique pour le chef de la Direction européenne

Memorandum from Head, Economic Division, to Head, European Division

SECRET [Ottawa], November 13, 1956

Reference: Your Memorandum of November 6.

ICELAND

It is a little difficult at this time to say exactly what Canada might do to assist the Icelanders. If you feel that something should be said to the U.S. Embassy very soon you might wish to make the following points informally:

(a) So far as direct financial aid is concerned, we have no facilities which would enable us to provide Canadian credits or grants to Iceland (although Canadian exporters to Iceland, like those exporting to any other country, have access to our Export Credits Insurance Corporation where they may be able to negotiate at least short-term credit insurance). We have, however, made the basic eighteen per cent of our total subscription available to the International Bank for lending without any restrictions concerning the use of those funds by the Bank. It might be hoped that Iceland would continue or resume discussions with the International Bank concerning possible assistance for specific projects which the Icelandic Government may have in mind. In this connection you will see from the attached letter† from Mr. Rasminsky that the doors of the World Bank are by no means closed to Iceland, despite the difficulties experienced over an earlier cement plant project. If the Icelanders can put up bankable projects, Canadian assistance might thus reach Iceland through the medium of the International Bank. In addition, Canadian funds might provide temporary help to Iceland through the International Monetary Fund if Iceland were to resort to that institution.

(b) In the trade field our economies are so complementary, that it is hard to imagine any considerable expansion in Icelandic exports to Canada. As the counsellor to the U.S. Embassy will be aware, our import and tariff policies are relatively liberal, and it is open to the Icelanders to make the most of our market if they so desire and if they have suitable commodities available. In this connection you might want to observe parenthetically that, although we ourselves are not entirely disinterested, it would seem rather strange if at a time when an effort is being made to strengthen Iceland's economy, the U.S. Administration were to accept the recommendations of the Tariff Commission for higher duties on ground fish fillets which represent a substantial portion of Iceland's exports to the United States.

2. While I think this is about all that could be said now — and even this should probably be said rather than written — we in this Division think that another attempt should be made to get the Canadian Government to make a concession to Iceland in the Civil Aviation field, which could have some economic value and could bring fairly substantial benefits in terms of political and cultural relations without much cost to us or to the airlines. What we have in mind is the possibility of certain traffic rights being conceded to the Icelandic Air Line at Winnipeg. We shall be putting a letter† through your Division on this subject very shortly. This is not, however, a matter which can be mentioned to the U.S. Embassy until it has been considered by Ministers and a decision has been taken.

3. The only other concession which might be worth investigating has to do with the use by our forces of facilities in Iceland while in transit through that country. You might wish to check with DL (1) to find out whether anything of significance might be done here (e.g., permission for fuel supplies, hangarage and other fees, etc.). We shall send a copy of this memorandum to that Division in order that they might consider the matter.

A.E. RITCHIE

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635. DEA/72-ABH-40

Le secrétaire d'État aux Affaires extérieures
au ministre des Transports

Secretary of State for External Affairs
to Minister of Transport

CONFIDENTIAL [Ottawa], November 15, 1956

My Dear Colleague,

You may recall that in March 1956 we exchanged letters† on the question of the possible granting to Iceland of interim air traffic rights at Gander pending the conclusion of an Air Agreement. I understand that at the recent ICAO Assembly at Caracas Mr. Morisset of the Air Transport Board held preliminary discussions with Mr. Hansen, the Icelandic Director General of Civil Aviation, but that the Icelandic authorities have not yet advanced any formal proposals for our consideration.

As you may know the economic and political position of Iceland and indeed even her continued membership in the North Atlantic Treaty have been a cause of very real concern in recent months, both to the United States and Canada. I have recently learned that the United States are prepared to grant Iceland a development loan of $3 million and to consider meeting the foreign exchange costs of a major power project, the Upper Sog Hydro Electric scheme, subject to suitable arrangements being made to supply power to the base at Keflavik; they are also considering the possibility of sale of surplus commodities to Iceland under Public Law 480 and making the local currency proceeds available for capital investment. While I doubt that it would be feasible for Canada under present circumstances to extend direct economic assistance I have been considering what positive steps we could take to aid Iceland and to strengthen the ties linking her to the Atlantic community. When I was in Reykjavik this autumn I was struck by the isolation of the country both from Europe and North America, and the desirability in particular of establishing more direct communication with Canada, especially through that rather concentrated section of our population which is of Icelandic origin. After Norway Canada is indeed the country which has the closest links with Iceland, both by virtue of the part played by Icelanders in the colonization of North America and of the number of Icelanders who have settled here. As you may know the Icelandic-Canadian community have for some time been pressing for the establishment of closer links between this country and Iceland.

I gather that when speaking to Mr. Morisset at Caracas Mr. Hansen mentioned Winnipeg as first choice for the terminus of an Icelandic route to Canada, but that Mr. Morisset endeavoured to dissuade him from this. Mr. Morisset also indicated that we would not be prepared to grant rights at Montreal but suggested Gander, where the Icelandic service to New York could feed Canadian traffic to TCA.

In view of the peculiar position and problems of Iceland which I have outlined above I wonder whether it might not be possible for the Government to adopt a more forthcoming attitude in this matter and meet the Icelandic request to establish a route to Winnipeg. I venture to suggest this even though I am aware of the difficulties which Iceland has been having with IATA, the private international airline organization which we generally would wish to support. It seems to me that this concession, granted as a special case in view of Iceland's peculiar position in NATO, would both assist Iceland in a small way economically and substantially increase her sense of community with Canada at little or no cost to us or to our airlines. I fully appreciate that limitations (e.g. on frequency and capacity) would have to be written into such an Agreement; nevertheless I think the Icelanders would be prepared to accept them as part of the bargain.

I should be grateful to receive your comments on this suggestion and to learn whether you would be prepared to recommend to Cabinet acceptance of a proposal along these lines. I quite realize that this would constitute a certain modification of our traditional policy with regard to the Montreal gateway on Atlantic operations: on the other hand Iceland is a mid-Atlantic rather than a trans-Atlantic country and there are, I believe, ample grounds for treating this as a special case which would not set a precedent for our dealings with other countries.

Yours sincerely,
L.B. PEARSON

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636. DEA/50375-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM SS-283 Ottawa, November 21, 1956

SECRET. ROUTINE.
Reference: Your Tel 2095 Nov 16.†
Repeat London, NATO Paris, Paris (Routine) (Information).
By Bag Oslo.

USA-ICELAND NEGOTIATIONS

With regard to paragraph five of your telegram under reference, USA Embassy here has been informed that Canada is not contemplating direct financial or economic aid to Iceland, although Iceland might indirectly have access to Canadian resources through the IBRD and IMF. In a small way we are doing some things to bring Iceland closer to her NATO partners and the West by providing assistance and promoting exchanges at the technical and cultural levels, and by attempting officially and unofficially to reduce Icelandic feelings of isolation. The recently completed visit to Canada of an Icelandic reforestation expert, a similar visit to Iceland by a tree and shelter belt expert from the Department of Agriculture, and (for your own information only at present) a planned donation of Canadian books to the Icelandic national library are examples of this sort of programme which, while admittedly not operating on the grand scale, will we feel be of some value in increasing Iceland's contacts with ourselves and thus encouraging a somewhat more intimate relationship with her friends in NATO. The Minister's recent visit to Reykjavik has, also, probably had a considerable effect in this direction.

2. For your own information on this subject, consideration is being given to the question of granting Iceland air traffic rights in Canada, possibly at Winnipeg. Also being considered, though as yet in a very tentative way, is the possibility of the RCAF making use of the Icelandic civil airport facilities at Keflavik.

3. With regard to the points made in the U.S. aide mémoire we agreed in general but suggested that their offers of assistance were perhaps too closely tied to a satisfactory conclusion of the base negotiations and that their approach in general emphasized to too great an extent the bilateral character of the negotiations. We also made the point that it might be useful if Iceland's economic needs could be discussed tactfully in the NATO Council in the presence of the Icelandic representative, with a view to emphasizing the NATO character of the base and of the negotiations which are now taking place. For example we wondered if the question of finding a broader market for Icelandic products might not be discussed in NATO. The limitations of Canadian action in this field were, however, obvious. These suggestions were made tentatively and at the official level only. Though the question of the Tariff Commission's proposal to raise the tariff on ground fish fillets was not repeat not raised with U.S. Embassy here, you might wish to make mention of it if you are discussing these questions with the State Department.

4. We were also informed that the U.S. was asking for comment on their proposals in all NATO capitals. The only reply known of to date in their Embassy here was from the Germans, who approved in general, said that they would see what they could do to open their markets to more Icelandic products, and also suggested that it might be worthwhile to broaden the base of the discussions by bringing NATO into a more active role. It would be useful for us in obtaining a more complete picture if you could raise discreetly the question of other replies with the State Department and perhaps obtain some idea of the general response to their proposals in other NATO countries.

5. With reference to your paragraph 7, there are no plans for Ronning to be in Iceland while the negotiations are in progress. If the matter is raised again, unless the State Department has some particular reasons which are not available to us for thinking such a visit would be worthwhile, you might reply that we feel that our Ambassador's presence would not be in the best interests of a satisfactory conclusion of the negotiations, since it might tend to make the Icelanders feel that they are being pressured, which is presumably just the approach which should be avoided.

637. DEA/12443-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 2166 Washington, November 28, 1956

SECRET. CANADIAN EYES ONLY. IMPORTANT.
Reference: Our Tel 2095 Nov 16.†
Repeat Permis New York, London, NATO Paris (Information).
By Bag Oslo from London.

USA-ICELAND DISCUSSIONS RE STATUS OF BASE

You will have seen in the press a report to the effect that the USA-Icelandic discussions on the future status of the base agreement of 1951 which began in Reykjavik on November 19 have been concluded and that a tentative agreement has been reached which is now being reviewed by the respective governments. *The New York Times* carried a report to the effect that the agreement was a bilateral one which "bypassed" NATO.[97]

2. We therefore asked Ernest Mayer, the Officer in Charge of Northern European Affairs, for an account of the discussions. Mayer emphatically denied that the agreement reached would bypass NATO, although, he added, it was easy to see how the question could be distorted to show that this was the case. He thought that the nature of the agreement reached would effectively disprove the press reports. Mayer also asked us to consider what he was to tell us as being highly confidential and for "Canadian eyes only" at this stage, partly because the agreement is only tentative and partly because a promise was made to the Icelandic Government to keep its nature confidential until that government decided that the moment was propitious to made its contents known. (An article in this morning's *New York Times*, however, accurately reports the substance of the agreement reached.) At a later stage of the conversation Mayer said that to agree to make this promise seemed reasonable since the Icelandic Government is obviously walking a political tightrope. For the same reason he did not know when the nature of the agreement would be made public; a good deal would depend on domestic developments in Iceland.

3. Mayer said that it was quite obvious that the present government in Iceland had changed its views on the general international picture and the need to maintain defence installations in Iceland. Recent events in the Middle East and Eastern Europe had clearly indicated to them that the present international situation was different to that which obtained when the Althing passed its original resolution. This change of mind was not tacitly admitted by the Icelandic side as they obviously did not want to admit that they had been wrong; nevertheless, it underlay their new approach to the problem and their terms for a settlement, terms which Mayer said were virtually identical to those which emerged as the tentative agreement.

4. In brief the agreement calls for a return to the status quo before the Althing resolution was passed but with one exception. The 1951 agreement continues in full force and effect but the Icelanders wish that their notification to the NATO Council and to the USA to

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[97] Voir/See *The New York Times*, November 27, 1956, p. 8.

review the 1951 Agreement should still stand. You will recall that this notification called for the beginning of the six months period referred to in Article VII to run from August 1. The Icelanders now propose that this six months period and the further twelve months period should not take effect until further action is requested by either side. Mayer pointed out to us that by means of this exception Iceland need not request a further review by the NATO Council before giving six months' notice of intention to terminate the agreement. Nevertheless, the USA would still have the right to ask for such a review as its right to do so has not been jeopardized nor withdrawn; thus its own and NATO's interest are protected. There is to be no reduction in the size of the USA force presently in Iceland. (Mayer said that the Icelanders even seem disposed to accept an increase in the present level of USA troops in Iceland if this should appear necessary.) This tentative agreement when it has been approved by both sides will be formalized by an exchange of notes. A report will also be made to the NATO Council but not before the agreement is finalized.

5. One further suggestion put forward by the Icelanders was the creation of a high level joint board to deal with policy problems affecting USA-Icelandic defence cooperation. Such a board would probably be represented on the American side by the USA Ambassador in Reykjavik and the Commander of the base and on the Icelandic side by a Cabinet Minister and would supersede the present Defence Council which is a low level board concerned purely with administrative problems. Mayer stressed that this proposal was not a firm one as the Icelanders wished to study it further as would the USA.

6. In commenting on this agreement Mayer said that the State Department was reasonably satisfied with the outcome and he felt confident that on the American side at least it would be approved. The Icelandic proposals were obviously put forward in a manner designed to permit them to save as much face as possible and there seemed to be no good reason not to make the Icelandic Government's task easier. Mayer said also that the Icelandic Government, in addition to having taken note of the altered international situation, had to recognize that the Althing resolution had been voted on hastily and without much consideration; since then, however, public discussion of the issue had lead to a definite swing in favour of a continuation of the 1951 Agreement. Mayer declined to speculate on the possible domestic repercussions in Iceland of the agreement once its contents became public knowledge.

7. Turning to the economic side of the discussions Mayer said that these covered much the same ground as the earlier talks in Washington. You may recall that the USA had offered a loan of three millions dollars. The Icelanders asked if this could be increased to four million as a minimum and for a longer term. Mayer said that the Icelandic request has not yet been agreed to but he thought it very likely that it would. On the Upper Sog hydroelectric project the Icelanders spelled out their requirements more specifically than they had previously. Mayer said that here too it will probably be possible to meet Iceland's wishes, provided the defence arrangements work out satisfactorily. On other bilateral economic problems further discussions were held but nothing definite emerged.

8. We went over with Mayer the points contained in your telegram SS-283 November 21. He was interested to have this info as he had not seen any report from the USA Embassy in Ottawa on the subject of what we were thinking of doing on the economic and cultural side. In connection with your suggestion that Iceland's economic needs be discussed in the NATO Council he said that speaking personally he was not too optimistic that the Icelanders would consider such a discussion as likely to lead to any satisfactory action. To their way of thinking NATO has done little for Iceland and Iceland has got little out of it. Very recently, the Prime Minister remarked that NATO was of no help when the UK market was closed to her fish and Iceland had even been criticised for selling to the Soviet

Union. Mayer saw no reason, however, why the Council should not have such a discussion, although he thought that the initiative should come from countries such as Canada whose motives would not be suspect; he also thought that if we should decide to take such an initiative it was of some importance to have specific suggestions to put forward. In answer to our question Mayer said that other than expressions of interest they had received no special comments on their own proposals from other NATO governments except from Bonn, the substance of which are already known to you.

9. With reference to paragraph 30 of your telegram SS-283 November 21, we raised with Mayer the question of the Tariff Commission's proposal to raise the tariff on groundfish fillets and understood from Mayer that this subject had not figured in the recent negotiations. Mayer added, however, as we are reporting in a separate telegram, that the State Department had recommended very strongly to the President that the Tariff Commission's proposal should not be approved.

[A.D.P.] HEENEY

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638. DEA/72-ABH-40

Le ministre des Transports
au secrétaire d'État aux Affaires extérieures

Minister of Transport
to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, December 5, 1956

My dear Colleague:

I have your confidential letter of November 15th, suggesting that in view of the very special circumstances connected with Iceland's relationship to NATO, and its desire to establish a direct air communication with the Icelandic centre of population of Canada, around Winnipeg, we should consider allowing the Iceland airline to provide service to Winnipeg.

While fully appreciative of the circumstances connected with the Icelandic relationship to NATO, I am much concerned over the situation that would result if we were to take the action you suggest. By doing this we would be granting the Iceland airline privileges which we have not been prepared to grant either to other foreign airlines or even to our own private airlines; and I fear that such a step would give rise to serious criticism in Canada, as well as endanger our relations with those countries with whom it is important to maintain good relation in the field of aviation. Moreover, we would complicate the domestic political picture by adding fuel to certain local criticism in the Winnipeg area of present government policies regarding aviation, and more particularly concerning the Scandinavian Airlines.

The problems involved in providing protection for Trans-Canada Air Lines in its domestic operations and, to a reasonable extent, its international operations and of keeping a reasonable balance in our bilateral air agreements, particularly with the countries where we wish to exercise traffic rights, are complex. It appears to me that the decision taken by Canada last April, when it agreed that we might negotiate a bilateral air agreement with Iceland in which they would be provided traffic rights at Gander, is fair and reasonable, taking account of all circumstances at the present time. I would hesitate to suggest any change now.

It may be that as we see our way a little more clearly in the matter of direct service from Europe to points in western Canada, it will be possible to re-consider this situation; but for the present I would much prefer to leave it alone.

Yours sincerely,
G.C. MARLER

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639. DEA/72-ABH-40

Le secrétaire d'État aux Affaires extérieures
au ministre des Transports

Secretary of State for External Affairs
to Minister of Transport

CONFIDENTIAL Ottawa, December 31, 1956

My Dear Colleague,

Thank you for your letter of December 5, 1956 in which you explained so fully the reasons why you were reluctant to recommend any change in the Government's policy which would permit the granting to an Icelandic airline of traffic rights at Winnipeg. Although I would have liked to see the establishment of such a link I agree that the current domestic controversy over the position of SAS at Winnipeg does complicate the question and perhaps makes it unwise to contemplate any change in the status quo at the present time.

As I pointed out in my letter of November 15 I would like to make some gesture of friendliness to Iceland. Although the recent tragic events in Hungary and the current intensification of the cold war have had the effect of submerging at least some of the differences between Iceland and her partners the basic fact of Icelandic isolation remains; there is I believe a feeling in the country that Iceland while providing vitally needed defence facilities for NATO has received nothing tangible in return and that her partners are not really concerned about her welfare. The fisheries dispute with the United Kingdom, now happily settled, had during its long duration the effect of forcing Iceland into an unhealthy dependence on the Soviet Bloc for export markets and this dependence continues. Canada is, unfortunately, unable to provide any assistance in this respect, since Icelandic exports are directly competitive with our own in foreign markets.

In the circumstances I wonder whether, in spite of the particular problem of Winnipeg, we might not grant something more than the minimum concession to the Icelanders in the matter of air traffic rights. It does seem to me that today the granting of Third and Fourth Freedoms at Gander is of very limited value to any foreign airlines; from the silence of the Icelanders in the six months since this question was discussed at Caracas it would seem that they also view our offer with very limited enthusiasm. I appreciate the fact that no Canadian airline operates to Iceland and that consequently we are not interested in reciprocal rights; at the moment, however, no Canadian airline is operating into Belgium yet we recently modified our air agreement with that country to permit Sabena to substitute Montreal for Gander. I realize that there is an accommodation problem at Dorval but I would doubt that this would not be insuperable.

In my earlier letter I listed some of the projects for United States aid to Iceland which are under discussion between those two governments concerned. As you are no doubt aware there is some tendency at the moment for Iceland's NATO relations to be strengthened bilaterally with the United States rather than with the Alliance as a whole; this I would consider undesirable and not in the best interest of either Iceland or NATO. In the circumstances I wonder whether as a small gesture to Iceland which could be made at very little real cost to Canada you would be prepared to offer Iceland traffic rights at Montreal rather than at Gander.

Incidentally, as you have doubtless noticed, the political and strategic importance of strengthening Iceland's economy was a major factor in the recent decision of President Eisenhower to reject a unanimous recommendation of his Tariff Commission that customs duties on groundfish fillets be substantially increased. As you will appreciate this decision was of great value to Canadian fisheries. This would seem to be an additional reason why we should by our own actions show that we also recognize the political and strategic significance of Iceland.

I must apologize for returning once again to the question of special assistance for Iceland but as you know this is a matter to which I attach very considerable importance.

Yours sincerely,

[L.B. PEARSON]

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640. DEA/72-ABH-40

Le ministre des Transports
au secrétaire d'État aux Affaires extérieures

Minister of Transport
to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, February 12, 1957

My dear Colleague:

I have delayed my reply to your further letter of December 31st regarding air traffic rights in Canada for an Icelandic airline, to allow time for further consultation between the departments and agencies concerned. I understand that the matter was considered again at the last meeting of the Interdepartmental Committee on Civil Aviation but that no agreement was reached by the Committee at that time.

There is a difference between civil aviation interest and the general NATO interests. From the point of view of our policy in relation to NATO, I sympathize with the reasons which you put forward for taking a somewhat more generous attitude towards the Icelandic position. At the same time, from the point of view of civil aviation there is no interest in completing an agreement with Iceland which would grant them access to an important traffic point, such as Montreal; and, in fact, reasons against so doing.

While it is true that we have over recent months opened up Montreal as a traffic point to the important western European countries which operate international scheduled air services even when we do not have any immediate interest to operate reciprocal services, Iceland is in a different position. It is not interested, as was Belgium for example, in operating a service mainly for the sake of providing traffic between Canada and the other country party to the agreement. Iceland is interested in obtaining traffic rights in Canada primarily for the purpose of picking up Canadian traffic which it would move beyond Iceland into Europe; and the earlier record of the Icelandic airlines in operating services of this sort between North America and Europe has had a disruptive effect upon the policy of

AITA in the matter of rates and other standards. I would agree, of course, that we could exercise effective rate control and prevent these dangers.

My understanding is that at the last Assembly of the International Civil Aviation Organization, in Venezuela, following informal discussions with Icelandic representatives the matter was left that we would not take any action until a further formal approach had been received from the Icelandic authorities, including indication as to whether they were interested in Gander. On the whole I would prefer to see the matter remain on this basis. On the other hand, if you feel that general considerations of external policy should overrule this point of view or, indeed, should a further request be received from the Icelandic authorities, then probably the best thing to do would be to have the matter taken up at Cabinet level with a view to seeking guidance in resolving the rather divergent interests that appear to be involved.

Sincerely yours,
G.C. MARLER

10e PARTIE/PART 10

POLITIQUE DES ARMES NUCLÉAIRES
NUCLEAR WEAPONS POLICY

641. DEA/50219-AM-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 387 Paris, March 6, 1957

SECRET
Reference: Our Tel 386 Mar 6.†
Repeat Washington (Information).

INCLUSION OF NEW WEAPONS IN THE USA 1957 MUTUAL AID PROGRAMME

Following is statement made by USA representative together with proposed press release. Begins:

USA STATEMENT ON NEW WEAPONS INCLUDED IN FY 57 MUTUAL AID PROGRAM

The USA recently advised certain countries of the new weapons which the USA is tentatively planning to make available for force modernization under the FY 1957 Mutual Security Program. Final agreement on the details of this program, however, is dependent on several factors. Foremost among these factors is the countries' capability effectively to utilize existing materiel and the planned new weapons, including provision of adequate manpower, training and sites. Another important requirement is assurance of security safeguards comparable to those employed by the USA for these weapons.

There follows a list, country by country, of the advanced weapons which have been tentatively allocated under the FY 1957 grant aid program.

	HONEST JOHN BN.	NIKE BN.	MATADOR SQDN.	F-84F ATOMIC CONVERSION KITS
NORWAY	1	1	–	–
DENMARK	1	1	–	–
BELGIUM	1	–	–	150
NETHERLANDS	1	–	–	150
FRANCE	2	–	1	200
ITALY	1	3	–	200
GREECE	1	–	–	–
TURKEY	2	–	–	–

This Mutual Aid Program is in support of the statement made by Secretary Wilson at the December 1956 ministerial meeting. At that time Secretary Wilson stated, "Our belief in the need for the continual modernization of NATO forces is reflected in the USA's FY 1957 military assistance program. We intend to propose a similar program for FY 1958. The ability of the USA to assist in a modernization program for NATO is dependent to a considerable degree on the willingness and the increasing capability of the other NATO countries to provide most of the maintenance support for their own forces. The manner and extent to which modern weapons will be incorporated into NATO forces must, of course, be determined in conjunction with NATO military authorities and with what the countries themselves can afford in their own overall military programs."

Country allocations of the listed new weapons have been made with the advice of NATO military authorities. Within the limits of USA funds and weapons availabilities, the USA program has taken into account to the maximum extent possible the highest priority NATO requirements. It is hoped that in those instances where the capability of forces to utilize equipment was a limiting factor in the FY 1957 new weapons allocations, countries will be able to take the necessary steps to improve their ability to absorb new weapons under subsequent programs.

In addition to the tentative grant aid program as outlined, some of these weapons are being made available on a reimbursable basis to certain NATO countries. It should be understood that the USA, subject to production limitations, stands ready to make such reimbursable offers to any NATO country under approved NATO military requirements.

At the ministerial meeting last December, Secretary Wilson also stressed the importance of developing properly trained personnel in NATO military forces in order to receive and handle the advanced weapons which are being integrated into those forces. The USA can now inform the Council that training in the employment of these weapons will be provided. This training will include training of selected NATO units in the techniques of delivering atomic weapons, using the weapons systems being provided through mutual aid programs. Training will be undertaken with special training devices and, therefore, will not entail possession of nuclear components by the forces being trained. This training program will be in harmony with the priorities established by NATO military authorities and will be carried out under arrangements worked out directly between appropriate military authorities of the USA and the NATO member countries receiving training.

While it is not envisaged that any special security arrangements with respect to this training will be required initially, it is possible that such a contingency might arise at some later date. Text ends.

Press Release

The USA Government today informed the North Atlantic Council of the advanced weapons which are being included in the American Mutual Aid Program for countries of the North Atlantic Treaty Organisation for the USA fiscal year 1957. The weapons include the Honest John and Matador ground-to-ground missiles, and the Nike, a ground-to-air missile. They are being provided, in accordance with NATO military priorities, with the wholly defensive purpose of protecting military and population centers and to deter and, if need be, to repel aggression. The USA representative to the Council described this action as further implementation of the long-standing policy of the USA to include modern and the most effective possible weapons in its Mutual Aid Program.

The USA representative informed the Council that the advanced weapons being furnished under the USA mutual aid program for fiscal year 1957 had been tentatively allocated to certain NATO nations based upon the guidance of NATO military authorities. He made clear that these allocations, of which no details can now be released, would remain tentative pending discussions on measures necessary to the satisfactory absorption of the weapons in the recipient countries' forces. USA law, of course, does not permit transfers of nuclear components for weapons. The USA representative also stated that the USA was prepared to furnish NATO countries with advanced weapons on a reimbursable basis, subject to availability of the desired weapons and other conditions normally surrounding such reimbursable aid.

[L.D.] WILGRESS

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642. DEA/50045-A-40

Extrait du procès-verbal de la réunion du Comité des chefs d'état-major

Extract from Minutes of Meeting of Chiefs of Staff Committee

SECRET [Ottawa], March 19, 1957

Present

Chairman, Chiefs of Staff (General Foulkes)
Chief of the Air Staff (Air Marshal Slemon)
Chief of the General Staff (Lieutenant-General Graham)
Representing Chief of the Naval Staff (Rear Admiral Rayner)
Chairman, Defence Research Board (Mr. Zimmerman)

Also Present

F.R. Miller, Esq., Deputy Minister National Defence.
R.B. Bryce, Esq., Secretary to the Cabinet.
Brigadier Rothschild, Coordinator Joint Staff.
Secretary, Chiefs of Staff (Captain Lucas).

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III. CANADIAN POLICY REGARDING NEW WEAPONS (SECRET)

11. Referring to External Affairs' telegram No. 387 dated 6 March 1957 from NATO, Paris, *General Foulkes* pointed out that two major problems arose out of the U.S. decisions. First, the whole question of the introduction of new weapons into the NATO Alli-

ance and secondly, the method by which the United States would issue such weapons. Since Canada was not a beneficiary under U.S. mutual aid programmes, it was most desirable that the Chiefs of Staff should consider Canadian policy in regard to the introduction of new weapons, particularly since the U.S. may at a later stage release atomic warheads to its NATO partners; however, such action would require change in the U.S. Atomic Law before implementation was possible.

12. *The Chief of the Air Staff* stated that insofar as air-to-air weapons were concerned, the relative merits of the MB-1 and SPARROW missiles were being examined. He considered that when fitted to a CF100 aircraft, there was little to choose between these weapons insofar as their "kill" possibilities were concerned when employed against a single enemy aircraft. Relative costs of these two weapons are not yet available and a study is not yet completed as to their relative suitability for employment on the CF105. Nothing had as yet come out of the studies which would justify changing the SPARROW programme, but the studies must be continued. Insofar as the ground-to-air weapons are concerned, considerable research was being undertaken by the U.S. authorities regarding new concepts for antiaircraft missiles, but he saw no reason to change our policy with regard to BOMARC at the present time. While we should proceed slowly on this matter, the BOMARC guided missile still appeared to be the most suitable air defence weapon for the purpose for which it was designed.

13. *The Chief of the General Staff* stated that insofar as ground-to-ground weapons were concerned, it was desirable to decide now whether to acquire ground-to-ground weapons without atomic warheads for tactical training in the Canadian Army. Consideration should also be given to the problems of acquiring atomic warheads for these weapons at a later date.

14. *The Chief of the General Staff* also stated that the Army has been training on U.S. weapons at Fort Bliss, as they had been developed, and as long as we could continue to send personnel to American establishments, it was doubtful whether we could justify acquiring such weapons for ourselves. There were two types of ground-to-ground missiles in which the Canadian Army were interested, i.e. LITTLE JOHN and LACROSSE, but neither of these weapons was as yet available. He suggested that the Canadian Army might initiate discussions with the American Army regarding the problems, financial and otherwise, in Canadian acquisition of one or more HONEST JOHN'S for training purposes.

15. *Rear Admiral Rayner* stated it was not clear at this time that the "Restigouche" class of escort vessels were capable of carrying a guided missile system such as TARTAR. The whole question was being examined as rapidly as possible. The Navy had a definite requirement for guided missiles. However, it was possible that ships suitable for carrying guided missiles might be at least 500 tons larger than the present RESTIGOUCHE class escorts. The Navy had an interest in torpedoes with atomic warheads and atomic depth charges.

16. *The Chief of the Air Staff* stated that 1 Air Division was somewhat concerned about its atomic delivery capability. The capability to carry small atomic bombs might be necessary in order to maintain the effectiveness of 1 Air Division as part of the NATO Air Forces in Europe.

17. *The Deputy Minister* considered that guidance should be sought from SHAPE as to the need for aircraft of 1 Air Division to be used in this role.

18. *Mr. Bryce* suggested that careful consideration should be given as to whether Canada should support European nations to enter the atomic field. It seemed undesirable for more nations to produce atomic weapons and at some time it would be desirable to formulate a

policy as to the number of additional nations which should have atomic capabilities. The United States is already making a distinction between strategic and tactical weapons and it would be sensible if Canada supported U.S. policy in this regard if issuance of tactical weapons was made on the basis that the recipients agreed not to produce any type of nuclear weapons.[98]

19. *The Chairman, Chiefs of Staff* explained to the Committee the controls which had been proposed as part of the "Atoms for Peace" programme. He considered that it might be easier to persuade the NATO countries to accept such controls if the U.S. provided atomic warheads for tactical weapons, which would be kept under U.S. control. He considered it extremely important that the production of new weapons should be standardized.

20. Summing up the discussion, *General Foulkes* stated, and *the Committee agreed*:

(a) that Canada does not have an immediate requirement for atomic warheads for new weapons and therefore there was no reason to press for a change in the U.S. law for a period of at least two years;

(b) that the only requirements presently envisaged for Canadian forces are:

(i) an atomic warhead for the SPARROW missile for the Air Force;

(ii) atomic depth charges for the Navy and Air Force;

(iii) LITTLE JOHN and/or LACROSSE weapons for the Army and at a later stage atomic warheads for these weapons.

21. *The Committee also agreed* that the Chairman, Chiefs of Staff, would prepare a policy statement[99] concerning weapons development in Canada for use by the Minister in answering questions which may arise in the House.

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[98] Voir Volume 23, Chapitre 7, 2^{e} partie.
See Volume 23, Chapter 7, Part 2.

[99] Non retrouvé./Not located.

CHAPITRE IV/CHAPTER IV

RELATIONS AVEC LE COMMONWEALTH
COMMONWEALTH RELATIONS

PREMIÈRE PARTIE/PART 1

RÉUNION DES PREMIERS MINISTRES DU COMMONWEALTH, 28 JUIN-4 JUILLET 1956
MEETING OF COMMONWEALTH PRIME MINISTERS, JUNE 28-JULY 4, 1956

643. DEA/50085-F-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 865 London, June 28, 1956

CONFIDENTIAL. IMPORTANT.

COMMONWEALTH PRIME MINISTERS' CONFERENCE

There has been little preliminary work on the Conference to report in the past few days with most of the visitors preoccupied with Wimbledon, Lords and the Canada Cup.

2. There has been some discussion of plans for the meetings, with emphasis on the desirability of encouraging more free discussion and fewer set speeches. The agenda remains pretty much as indicated. We have been told that it [is] most unlikely that the subject of the Gold Coast will be discussed during the period on July 4 reserved for Commonwealth constitutional questions, but that this period is being retained under this heading as it is expected that Ceylon will raise the subject of its constitutional plans.

3. The Prime Minister of Pakistan called on Mr. St-Laurent yesterday, and he and I lunched with Mr. Nehru, Mrs. Pandit and Krishna Menon. Later in the day the Prime Minister called on Sir Anthony Eden.

4. Mohammad Ali spoke to the Prime Minister about Kashmir but left the impression that he did not intend to raise the subject during the conference but hoped that others might do so. He also mentioned Warsak and expressed their considerable satisfaction with the attitude which had been shown by the Canadians in the discussions last week in Ottawa.[1] He emphasized his interest in the subject and his belief in the importance of our working together in understanding. Sir Anthony Eden also referred to Kashmir but did not specifically ask the Prime Minister to intervene, though undoubtedly he hopes that Mr. St-Laurent will use his influence with Nehru if the opportunity presents itself. It looks as if this subject will be played very much by ear and will be pursued only if an occasion ripens. (Last night Eden told me that he intends to raise the matter with Nehru today. He

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[1] Voir/See Document 683.

will then probably discuss it separately with Mohammad Ali and after these separate talks will decide whether it is worth while to try to get the two parties together with himself and possibly Mr. St-Laurent present. Last night in conversation at Buckingham Palace the Pakistan Foreign Minister made a strong plea to me for talks of some kind on Kashmir. He said the Pakistan Government would be reasonable and compromising if only discussions could begin. Contrary to reports from Karachi (Scott's telegram 209†) the subject of Kashmir was not raised at all with Mr. Nehru.)

5. Mr. Nehru spoke a good deal about Soviet policy at lunch on Tuesday. He feels strongly that the Russian leaders are very anxious to establish better relations and that the Western Powers are not doing enough to meet them. We took the opportunity to explain to him something of present thinking in NATO. He said that NATO had served a very useful purpose when it was established and he had had no objection to it. However, he doubted whether it had any role to play in present circumstances. He said that Western leaders were over-emphasizing conflict with the Communists. We had simply shifted from talking about military conflict to economic conflict. What we should talk about was means of cooperation and of ending the Cold War. He spoke also about the Colombo Plan, and seemed to think that we had reached a very satisfactory basis for arranging and providing assistance.

L.B. PEARSON

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644. DEA/50085-F-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 866 London, June 28, 1956

SECRET. IMPORTANT.

FIRST PLENARY SESSION OF COMMONWEALTH PRIME MINISTERS' CONFERENCE JUN 27/56

Following the photographing and opening words of welcome and appreciation the first session of the conference Wednesday afternoon decided to proceed with agenda as suggested, plus item on Pacific questions and Japan, proposed by Holland. It was decided as compromise to issue brief communiqué Wednesday night and Friday night, and then probably only at conclusion. They proceeded forthwith to discussion of relations with Soviet Russia. Eden led off with lengthy statement recounting various aspects of changes in past 18 months and the revelations of Bulganin and Khrushchev. He thought we could believe Russians now do not want a major war and realize that the United States does not want one either, but will continue to develop and maintain major weapons and not accept control on them. They wish to be regarded and treated as a normal great power and are taking steps at home which help to make that possible. On the other hand, they show no disposition to make any concessions on major issues, including Germany. He proceeded to discuss conversations with Bulganin and Khrushchev. After discussion of some details, he went on to say that the UK was now reviewing its policies in various fields in the light of these developments.

2. Eden then called on Nehru who spoke of his visit to Russia and the Bulganin and Khrushchev visit to India. He felt basic changes were taking place in Russia and were

coming from below as well as from above. He felt that Russia should be studied as a great power, and on the assumption that a major war was now out of the question. He felt that economic advance was the best assurance of avoiding future conflict and disarmament might contribute effectively to that as well as being desirable in itself. Whatever we think of their motives, we should engage in competitive co-existence as constructively as possible and develop contacts with them, step by step, which eventually may make possible the resolution of even major issues.

3. Eden then called on Mr. St-Laurent, who spoke briefly, saying that we believe a turning point seems to have been reached and the turn seems to have been in the right direction, but we can't tell how far they will go in that way. We should take advantage of the circumstances to settle as many issues as possible. The Russians have not given up, and cannot be expected to give up any of those things they regard as essential to their security, including the development of major weapons right up to guided missiles. If we come to believe a major war is impossible and we can expect to eliminate even smaller ones, it will become very difficult to persuade our people to maintain the heavy costs of defence. As yet, neither side had developed sufficient confidence in the other to warrant it ceasing to develop and maintain its defences. He was glad to hear Nehru's view that the changes in Russia come from the changed circumstances and not just from the top, for that means there is less danger of the change being reversed. We hope there will grow a conviction on the Russian side as well as our side — a conviction that competitive co-existence can become a durable state with which both sides can be satisfied. As yet in North America we have not reached a point where we feel that disarmament based on faith and assurances is sufficient guarantee of our security.

4. At Menzies' suggestion, Eden called upon Mr. Pearson to speak of his impressions of the USSR on his trip there last November. This Pearson did at some length. The substance is familiar to you; the emphasis was on Russian pride in their own achievements, their ignorance of our manner of government, and their blunt warnings regarding our position in NATO and beside the United States.

5. Menzies spoke fairly briefly, expressing scepticism of any Russian change of heart, emphasizing the lack of deeds to confirm their words, and warning of their advantages in waging economic and political warfare against the West in many parts of the world. He felt we should be friendly in our words but not change our policies.

6. Holland followed and largely agreed, expressing view that if the UK reduced its expenditure on defence there would be strong pressure on the Government of New Zealand to follow Britain in this as in all else.

7. Strijdom was inclined to the scepticism of Menzies and expressed grave concern at the entry of Russia into Africa at Egypt. He seemed to see no incongruity in arguing in this forum that Western democratic countries make no effort to influence the form of government in other lands as the Communists do.

8. Mohammad Ali spoke in a fashion that showed his allegiance to democracy and the West and proceeded to express his fears of the economic and political influence of Russia on underdeveloped countries by frequent references to the situation in Afghanistan.

9. Bandaranaike proved a fluent expositor of Ceylon's case. He argued that we could not tell whether the Russians had suffered a change of heart, but we should consider whether such a change is necessary on our own side. More visits, more contacts, more trade would

help but we must deal with our own problems effectively and not present the Communists with an opportunity to exploit discontents that we should not tolerate.

10. Lord Malvern, though, of course, just a vocal observer, was invited to speak as usual and did so succinctly, saying that in his federation their Communists came from Britain, not Russia.

11. It is planned to pursue this subject in discussion on Thursday morning.

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645. DEA/50085-F-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 874 London, June 29, 1956

SECRET. IMPORTANT.

SECOND PLENARY MEETING OF COMMONWEALTH CONFERENCE

The meeting on Thursday morning continued with the discussion of relations with Soviet Russia. The detailed official record is being sent forward to you.

2. The meeting opened with a fairly lengthy statement by Mr. Selwyn Lloyd illustrating some of the changes which had taken place within Russia, commenting upon their military policy, referring to the defence expenditure of the United Kingdom, and ending with the following suggestion:

"... How should the democracies respond to this Soviet policy? It seemed clear that they should avoid spending too much of their resources on obsolescent conventional arms and dispositions, and that they should not so conduct themselves as to stimulate the cohesion of the Soviet and satellite countries. An wholly uncompromising and hostile attitude to Russia might tend to unite the Communist countries, just as Stalin's policy had united the Western Nations for their common defence. He agreed, therefore, that it would be mistaken to talk too much of the new developments in terms of a conflict. On the positive side, it was important that the democracies should use every chance through cultural contacts, tourism and trade to help along the processes working for liberalisation in the Soviet Union. They should also show that the democratic way of life was a better form of political expression than a totalitarian régime, and they should give better publicity to their efforts to bring economic aid to the under-developed countries. The cooperation of the Russians should be sought in settling specific international issues, such as the Arab-Israel dispute. Finally it was important to prevent Russia from gaining control of the key areas of the world, and thus preserve her from the inevitable temptation of excessive power".

3. There was then brief discussion of Russian policy in regard to the admission of Japan to the United Nations, raised by Menzies, which was followed by some further remarks by Menzies and Mohammad Ali to the effect that as long as there was danger of limited wars it would be necessary to maintain conventional forces as well as nuclear weapons.

4. Mr. Nehru then intervened with a long and fervent statement suggesting that far too much emphasis was being given to military factors by Western nations in their public discussions of international affairs, which precluded any sympathetic response from uncommitted nations who were more attracted by the manner in which the Russian leaders

continuously spoke of peace. While he felt that the Western nations would undoubtedly wish to pursue what they felt were necessary military policies to be able to defend themselves, it seemed better that they should do everything possible to encourage the Russian leaders to follow the paths of international cooperation and non-intervention in the affairs of other nations to which they had publicly committed themselves.

5. At this point Mr. St-Laurent made a brief statement which is accurately recorded as follows in the account of the meeting: "Mr. St-Laurent expressed the hope that the level of armaments would cease to dominate world problems. He feared however that it would be some time yet before it would prove possible to establish a real sense of security which was not based on the power of retaliation. This was, he thought, particularly true of the United States who now regarded themselves as the major target for a Russian attack and feared the rapid Russian progress in the nuclear weapon field. It would take time to reassure American opinion and to halt the impetus of the immense preparations which the Americans now had in hand for defence against thermo-nuclear attack."

6. There then followed a brief discussion about Russian announcements of demobilization of a portion of their armed forces and its relation to what Western nations were doing.

7. Following this a discussion arose over the danger of additional nations embarking upon the acquisition of nuclear weapons. Mr. Nehru in particular expressed concern over this development, and the United Kingdom emphasized their concern over it as well. (This definite expression of the Indian attitude on this matter may be of use to us at this conference or subsequently in discussion with the Indians over our policy in regard to inspection and control of the use of materials and equipment supplied for the peaceful development of atomic energy.)

8. The meeting then turned to a discussion of trade between Western nations and Soviet Russia in which little that was new developed. Sir Anthony Eden expressed (somewhat undiplomatically we felt) concern that the Western nations were getting so little credit for the very large effort that we are making in providing aid to under-developed countries, for example through the Colombo Plan.

9. The meeting went on and concluded with a discussion of a variety of aspects of Soviet policy including a suggestion by Mr. Nehru that there was a possibility of the United States and the Soviet Union coming to some political agreement over the heads of other countries. This possibility clearly gave rise to some apprehension around the table. Mr. St-Laurent concluded the discussion with a short comment which is recorded as follows:

"Mr. St-Laurent agreed that the aim should be to get the Russians to cooperate in reducing tension in the sensitive areas. He was sure that the Russians did not want a global war, but the risk of local conflicts existed and the Russian leaders should be invited to cooperate in alleviating the tensions which might give rise to such conflicts".

L.B. PEARSON

646. DEA/50085-F-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 886 London, June 30, 1956

SECRET. IMPORTANT.

THIRD PLENARY MEETING OF COMMONWEALTH CONFERENCE

Sir Anthony Eden proposed the division of discussion of the Middle East into the Palestine problem and general problems of the area. Selwyn Lloyd introduced the former subject with some general comments on the situation expressing doubts about Nasser's intentions and his ability to cope with Soviet infiltration. Mr. St-Laurent asked if we could proceed on the assumption that the Arabs would not seek to eliminate Israel. Lloyd spoke of the difference between the public and private views of the Arabs and said Nasser had told him he had no idea of the power of the refugees. Nehru asked what chances there were for changing the boundaries. If this could be done there was a better chance of a solution. It was probably true that some of the Arab leaders would like a settlement on the basis of changed boundaries but public sentiment was very strong. He said his own vague impression was that Nasser, in spite of nationalist pressure, "was perhaps more reasonable than some others." He said that it was necessary to see this problem in its broader context and referred to divisions in the Arab world.

2. Mr. Strijdom, who spoke quite soberly on the subject, asked if the Three Power Declaration still stood. Lloyd said that in a clear case of aggression the United Nations would have to take action and the United Kingdom would be bound by the Three Power Declaration as well. In case of less overt aggression they would use the 1950 Assembly Resolution calling on both sides to retire.

3. Mohammad Ali said that the idea that the Arabs wanted to wipe out Israel was not in accordance with present trends, although it might once have been the case. He emphasized the need to take into consideration the Arab feeling that Israel was expansive. If the boundaries of the United Nations resolution of 1947 were accepted, the Arabs might agree on settlement provided also there were guarantees against Israeli aggression. In reply to an enquiry by Mr. St-Laurent as to whether he thought the sending of defensive planes to Israel would be helpful, Mohammad Ali said that since the balance of strength still lay with Israel, the sending of planes might make settlement more difficult. Egypt was the most important factor and he believed Nasser was a responsible leader. It was important to seek a solution as soon as possible before one move in the armaments race was matched by another.

4. Both Eden and Lloyd at various times stressed the importance of including the Russians in any proposals for a settlement and of doing so through the Security Council. Mohammad Ali agreed on the Russian role but Strijdom asked if the inclusion of Russia would not frustrate settlement. Eden pointed out the need to avoid a Soviet veto and the fact that the Russians were already involved in the area.

5. Mohammad Ali seemed very anxious to find out if there could be agreement to the 1947 boundaries but Mr. Pearson assured him that there was no chance of Israel agreeing to boundaries which the Arabs had gone to war to oppose.

6. Nehru began the general discussion of the Middle East by speaking of the necessity of encouraging democracy wherever we found it. He thought there was perhaps more of it in Syria than elsewhere. Although he spoke objectively and cautiously, he regretted the fact that the Great Powers had so often found themselves supporting feudal elements. He recognized that outside powers could not intervene in internal affairs but the difficulty was that the popular and liberal elements were discouraged. Selwyn Lloyd had stressed the concrete importance of the economic aspects of the Baghdad Pact. However, if economic help was tied to military alliance it was not appreciated, particularly if this went to help reactionary régimes. He feared that recent developments in the Middle East and possibly the Czech arms sales to Egypt flowed from the military pacts. He recognized that the Soviet Union might not itself have clean hands on the subject of alliances which it criticized.

7. Mohammad Ali, who was also very objective in spite of the delicacy of the subject, recognized that there were great differences in the régimes in the Middle East. However it could not be said that it was the illiberal régimes which were involved in pacts and the liberal régimes which were not. Countries must be left free to work out their own security as they felt necessary and in accordance with their own circumstances. The basic question was whether the pacts were defensive or aggressive. Nehru had seen a lack of consistency in our attitude to the Soviet Union in this area. However it was inevitable that in the present circumstances while many issues were not solved there would remain some areas of conflict with the Russians. We should try to extend the area of cooperation as much as possible and to remove the Russian fears of the Baghdad Pact, but not do so by giving in to everything the Russians asked.

8. The meeting concluded with some talk of Algeria. The most interesting comment was Nehru's exposition of the Indian suggestions for a cease-fire. He showed a good deal of understanding of French difficulties but questioned Selwyn Lloyd's statement that the French could not find any Algerian leaders to deal with. When asked about the French reaction to his suggestions, Nehru said with a smile that these were different in private and in public. Although in public there had been statements that this was a domestic affair of France, in private the French had been appreciative and not at all unfriendly.

(Note for Communications) The Minister would like copies of telegrams 883,[2] 886 and 887 to be in the hands of Mr. Léger on Sunday.

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647. DEA/50085-F-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 887 London, June 30, 1956

SECRET. IMPORTANT.

FOURTH PLENARY MEETING OF THE COMMONWEALTH CONFERENCE

Eden began the meeting with an offer to talk candidly about Cyprus which was taken up. The British case was stated in familiar terms by Eden, Lloyd and Lennox-Boyd.

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[2] Voir/See Document 493.

Lennox-Boyd was particularly frank in recognizing that for strategical reasons they were unable to follow in Cyprus the colonial policy they followed elsewhere and they very much regretted this necessity. Throughout the emphasis was placed on the intransigence of the Turkish position and the necessity of recognizing this as a fact. Eden said emphatically that the Turks would in no case allow Cyprus to go to Greece. They might use force to prevent this and he would not blame them. Menzies made a strong defence of the strongest British position and Mohammad Ali stressed the strength of Turkish feelings and the hope that no solution would be made without Turkish consent.

2. Some uneasiness was evident in a few questions by Mr. Holland which were not very clear or very well directed. Mr. Nehru seemed doubtful of Lennox-Boyd's statement that the movement for enosis was in no sense a national movement but rather that of a fanatical minority. He reported on his conversation with the Greek Prime Minister when he stopped off at the airport in Athens. The Greeks had told him that they were sure that they could satisfy the Turks with two assurances. They were prepared to give every guarantee to the minority under United Nations supervision and they were prepared to recognize the Turkish fears for their security by guaranteeing that Cyprus would never be used as a military depot apart from its present use for British or NATO purposes. They said that they thought they could reach an understanding with the Turks if the British would only put in a good word on their behalf in Ankara. Nehru emphasized that he had merely listened to what the Greeks had to say and that he did not know whether an agreement along these lines was possible.

3. During the short time left for consideration of "European Security" there was a certain amount of inconclusive conversation about Germany. There seemed to be general agreement that there was no easy solution coupled with doubts as to whether present Western policies were adequate. Mr. Nehru wondered how long a strong Germany would continue in its present alignment. Mr. St-Laurent emphasized that the situation had changed greatly in the past few years and the basis on which Chancellor Adenauer had based his policy might no longer be valid. There was need for a reassessment of the situation. Eden pointed out that the French at the time of the EDC debate had begged the British to strengthen their forces on the continent in order to balance the Germans. However, there were now very few French troops in Germany and no German.

4. Eden asked Mr. Pearson to say something about the work of the Committee of Three. Mr. Pearson said that the principal reason for a new look at NATO was the realization that the major deterrent now was not the NATO forces in Europe but the US strategic airforce. If NATO were to survive it would have to be based on a stronger foundation than fear of Soviet aggression in Europe. For this reason the NATO leaders were exploring along two lines: the improvement of political consultation and the possibilities of economic activity. The Committee of Three were already clear in their minds that in both these fields they should not emphasize the exclusive nature of NATO. None of the members would wish to weaken its association with other international bodies and groups. They thought that it would be a mistake to develop NATO into an agency of economic cooperation and technical assistance although it was a good forum for consultation on these subjects. Heretofore NATO had been preoccupied with defence with negative if essential problems. They hoped now that its aims could be more positive, not merely confined to protection but seeking for conciliation, for finding solutions to our difference with the Soviet countries. When Mr. Pearson spoke of the importance of discussions in the NATO Council before members adopted policies which would affect others, Eden said "I like that" and talked about the need for "some high powered machinery in Paris".

648. DEA/50085-F-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 892 London, July 2, 1956

SECRET

FIFTH MEETING, COMMONWEALTH PRIME MINISTERS' CONFERENCE — RELATIONS WITH CHINA

At Eden's invitation, Nehru opened the discussion with an effective and balanced statement of the case for recognition and acceptance in the United Nations of the Peking régime. There were no unfamiliar arguments which were given with quiet and impressive conviction and his comments on United States policy were very restrained. He spoke also of the situation concerning the off-shore islands, reminding the meeting that when they had last met 18 months ago it had been agreed that it would be best if the islands were evacuated by the nationalists. This however, had not taken place. Although the situation was admittedly quiet, it continued to be explosive. If the Chinese realized that they would achieve nothing by negotiation the situation might become very dangerous again. He took some comfort in the fact that the Geneva negotiations had stretched to 52 meetings, indicating that neither side wanted to break off. He referred to Chou En-Lai's recent offer to negotiate with Chiang Kai-shek and reminded the Prime Ministers that this was not a new offer. Chou had been saying the same thing, at least since Bandung, and even before that had told him personally that he was willing to reach a peaceful settlement with Chiang Kai-shek. It was mistaken to think of China as a camp follower of the Soviet Union. Their relations were friendly and China was getting much help from Russia. However, China stood on her own feet and was very proud. He was convinced that for a considerable period of time at least the Chinese people were so fully taken up with their internal problems that they were not likely to be expansive. India, for her part, had no fear of direct aggression, partly because of the Chinese preoccupation with its internal problems and partly because they did not consider China to be expansionist (possibly, he admitted, because of their internal preoccupations). India had a strong barrier in the Himalayas. They were not afraid and they did not want or need protection from anyone.

2. Mr. Menzies admitted that it was difficult to answer the "juristic argument" made by Mr. Nehru, but he was not very anxious to promote this argument at the present time because it would create difficulties with the United States. He reminded Mr. Nehru that although he said that India had no apprehensions, they nevertheless maintained substantial forces. In reply, Mr. Nehru said that Mr. Dulles, when he was in India, had expressed surprise at the small number of the Indian forces for so large a country. Mr. Nehru said that they had also to recognize that there was a possibility of a general war taking place and India could not be entirely defenceless. He did not think any such war would take place near India because of the Himalayas. Nevertheless, they had a long and difficult frontier to police. Even in British days there were constant incursions of Tibetans, for example. There was a "check post" army, he professed.

3. Mr. St-Laurent said that he had listened with interest and profit to Mr. Nehru. It was the Canadian view however, that feeling in the United States was such that little progress

could be made until after the elections. He himself had been much surprised at the strong views which President Eisenhower had expressed to him personally against recognition on moral grounds. The strong feelings of the American people on this subject were not easy to explain but they did exist. A too hasty effort to force a change on them would meet with a strong reaction not only from the administration but also from public opinion and Congress. Though we recognized the incongruity of having the vast majority of Chinese represented by the Nationalist Government, nevertheless the existence of the United Nations with the presence of the United States was a matter of great significance to us and there was a danger that they might actually withdraw if Peking were admitted at this time. It might take some time for the United States to take a different view but we hoped that their present attitude would not persist indefinitely.

4. Eden agreed with what had been said by Mr. Nehru about the offshore islands and with what Mr. St-Laurent had said about Eisenhower's views. The question was what we could do about the American position. He gathered from what had been said that we would all like to bring about the representation of the Peking régime in the United Nations, not because we liked the régime, but because it existed. However, we could do nothing before the American elections and even after that we must go very carefully and see what could be worked out. One thing on which there could be progress was trade. It was ludicrous to have severer controls on trade with China than with Russia. This was particularly bad for Japan and it was in everyone's interest that Japan should be allowed to trade with China which was its only practical outlet.

5. Mr. Holland was likewise much impressed by what Mr. Nehru had said and he thought that if the United Nations was to survive some solution must be found. However he did not know what we could do if Peking would not accept the existence of two Chinas. He would never agree to seeing Formosa and the Nationalists thrown to the wolves. Nothing, of course, could be done before the American elections.

6. Mohammad Ali said that they had friendly relations with Peking and would like to see them in the United Nations. He recognized, however, that not much could be done before the United States elections and probably even in the next United Nations Assembly. In the meantime, they should seek for means of easing relations between the United States and China. He thought that trade offered the best prospects.

7. Mr. Strijdom did not think that the mere fact that China was Communist was reason enough for keeping it out of the United Nations. He agreed with Mr. Holland over Formosa. After the elections in the United States there should be a combined effort to induce the Americans to accept the solution of two Chinas. He agreed with Mr. Nehru about the consequences of keeping Peking out of the United Nations.

8. Among other things, Mr. Bandaranaike stressed the enormous impact of new China on Asia. He considered it anomalous that some members of the Commonwealth recognized Peking and some did not. He did not think that those who did not needed to wait for the United States elections in order to take this action.

9. Mr. Nehru then made some remarks about Formosa. It seemed to the Chinese that this island was more important to them strategically than to the United States. He did not know what the choice of the Formosans would be if they had a choice but no one could say that they had chosen Chiang Kai-shek. There was no democracy in Formosa. The régime continued only because of United States support and its armed strength. There was a strong possibility that the régime would collapse and this would put the United States in a very

false position. Peking could take the off-shore islands by force if they wished to do so and the Americans would then face a terrible choice of risking war by defending them or abandoning an ally. He recognized the strength of American feeling on this subject but something should be done to help the Americans themselves out of such a dangerous situation.

10. On relations between China and the Soviet Union he added that whenever he talked to Chou En-Lai about Russian aid, Chou pointed out that China got nothing from Moscow. What they got was loans and assistance they paid for. Whenever he talked to Bulganin and Khrushchev about such questions as Formosa or Indochina, they indicated that they knew about these problems and were interested in them but that these were in the Chinese domain and the Chinese were quite able to look after them.

11. In conclusion there was some discussion of the position of the overseas Chinese. Mr. Nehru seemed to think that a great advance had been made towards solving this problem by the promise that Chou En-Lai had made to the Indonesians at Bandung to force the Chinese to choose their citizenship. He recognized however that the Chinese community would nevertheless remain and might well feel attached to the mother country. He was very careful about making any categorical promises on this subject. Lennox-Boyd, with Singapore particularly in mind, expressed grave doubts about the Chinese-Indonesian arrangement which enabled representatives of Peking to make lists of local citizens. The Chinese in British colonies greatly feared the arrival of consuls or registration agents because they believed that they would then be blacklisted. In conclusion, Nehru told of a North Vietnamese Minister who had asked him how many Chinese there were in India. When he told him, the Vietnamese had said that India was very lucky.

L.B. PEARSON

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649. DEA/50085-F-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 898 London, July 4, 1956

SECRET

Repeat New Delhi, Karachi, Delegation New York for Mr. Martin (Information).

KASHMIR

Little progress has been made as yet over Kashmir. Eden mentioned the subject very delicately to Nehru when the latter was at Chequers and received merely a forceful exposition of the Indian case. As a result to some extent at least, of pressure from his officials, Eden raised several days ago with Nehru the possibility of discussions. Nehru said he was quite prepared to discuss the subject with Eden or with Mohammad Ali but he was not prepared to do so in London and he was not prepared to discuss it in company with other prime ministers or to be subjected to Commonwealth pressure. (Although he was firm he took the approaches very calmly. Mrs. Pandit has mentioned to us that she found him very much mellower than previously and less inclined to be upset by criticism.)

2. Mohammad Ali is, of course, disappointed, if not surprised and worried about returning without being able to report some progress or at least some prospect of progress. He is considering speaking with Nehru directly but the British are inclined to dissuade him from doing so. In official circles here there is some nervousness lest Mr. Menzies charge into the subject. In the full meeting on relations with China he made a somewhat provocative reference to India's maintenance of troops, and yesterday during the restricted meeting on defence,[3] when Mohammad Ali but not Nehru was present, he referred to the "wretched and teasing" problem from which Pakistan suffered and said with a good deal of feeling that he didn't know why this could not be solved. This reference was probably intended to give some comfort to the Pakistanis and he may not press it further.

3. In spite of rumours which continue to appear, we have taken no initiative of any kind on this subject and, in the circumstances as reported above, think it best not to do so. The Pakistan Foreign Minister called on me yesterday and this fact might revive reports of our activity on Kashmir, but the visit was concerned with their food difficulties and their project for an atomic research reactor concerning which he asked our help.[4] He did mention Kashmir, but only to impress on me their disappointment that no progress was being made and their increasing difficulties in keeping the tribesmen out of Kashmir. He did not ask for Canadian support in any way, but said that when the matter came before the United Nations we would all have to take positions, so it was a pity that we could not discuss it together here in London. It was all said, however, in accents more of sorrow than of anger. The Pakistanis are not losing any friends here by the restraint they are showing both in language and in manner whenever Kashmir is mentioned. Incidentally, Huq Choudry's view is that only Nehru himself by his emotional obstinacy stands in the way of a fair settlement, something which the other members of his government would welcome. He claims to have received confirmation of this view in a conversation he had recently with a high Indian official.

L.B. PEARSON

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[3] Voir/See Document 653.

[4] Sur ce sujet, voir aussi le document 686.
On this subject, see also Document 686.

650. DEA/50085-F-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 908 London, July 5, 1956

SECRET

COMMONWEALTH CONFERENCE

The sixth meeting which took place on Monday afternoon July 2 concerning the economic position of the Sterling area consisted primarily of exposition of the position of each of the Sterling area countries. There is no need to attempt to recapitulate in detail what is set down in the official minutes which have gone forward to you.

The following paragraphs note the principal points stressed by the main participants and include a revised paragraph in regard to what Mr. St-Laurent said.

2. In regard to the United Kingdom, Sir Anthony Eden, as well as the Chancellor, took pains to stress the seriousness with which they intend to persevere to keep the total demands on their resources down to a tolerable level and to prevent inflation without domestic controls and without new or renewed controls on imports.

3. Mr. Menzies emphasized the steps they were taking in Australia to prevent and deal with the serious and inflationary situation there and the difficulties they faced because of the federal nature of the country, the large role of private investment in their boom and finally the independence of the Commonwealth arbitration court which has such a substantial responsibility in determining a wage policy.

4. Mr. Holland said New Zealand was getting along very nicely, thank you, living on the sheep and the cows.

5. Mr. Nehru spoke at some length about their five year plan and seemed to reflect a measure of confidence in commencing their second five year plan following results of the first which he described as succeeding beyond their expectations. He was clearly proud of the role being played by the community development schemes in the villages which were helping to achieve what he described as their main need to instill a spirit of self reliance in the men of India.

6. Mr. Louw emphasized the need of South Africa for more private capital from the United Kingdom if possible or from elsewhere.

7. Mr. Mohammad Ali made clear their main problem was under-development and their resources were so limited that what they would be able to do and what they aimed to do would fall far short of what their people expected.

8. Mr. Bandaranaike was more optimistic and described their intentions to achieve a greater diversity of production and trade in order to reduce their dependence on tea, rubber and coconuts. He was also the one who expressed the greatest dissatisfaction with the management of the Sterling area and felt there should be a greater degree of consultation in it.

9. The official minute regarding Mr. St-Laurent's remarks was faulty in a few details and it should more correctly read as follows: Text Begins:

Mr. St-Laurent said that Canada had been somewhat disappointed that the United Kingdom had not found it possible to progress as quickly towards convertibility as the

Commonwealth Economic Conference had hoped in 1952. There were a number of concrete issues on which Canada had hoped for more progress, notably perhaps in regard to the new International Wheat Agreement. The Canadian Government did, however, recognize that a real effort had been made by the United Kingdom to carry out policies which made for freer trade, e.g. by the avoidance of further restrictions on imports; they were gratified by the increasing flow of trade and hoped that this would continue. There were still boom conditions in Canada founded largely on a high level of private investment. This gave rise to a large surplus of imports over exports and a corresponding inflow of capital. Some of this was coming from Commonwealth sources which we welcomed but there was some uneasiness in Canada over the fact that ten to fifteen percent of the total investment in the country was being financed from the United States. So far however it had been thought best to welcome all private investors who were prepared to participate in Canadian development. Text Ends. Message Ends.

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651. DEA/50085-F-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 914 London, July 5, 1956

SECRET

EIGHTH MEETING COMMONWEALTH PRIME MINISTERS CONFERENCE: SECOND PART[5]

At the request of Mr. Holland some time was devoted to Japan. Mr. Holland had been greatly impressed with the friendliness and sincerity of the Japanese leaders when he passed through Tokyo enroute to the conference and was anxious to make a strong plea for a better Commonwealth understanding of Japan and to convey a message of greeting to the conference which had been entrusted to him by Mr. Hatoyama. He took up most of the discussion with an extensive review of the position of Japan which, although considerably inaccurate and not very profound, was, nevertheless, a sincere and effective plea. After he concluded, most of the other prime ministers confined themselves to a large extent to echoing his sentiments. Nehru and others emphasized the unfortunate effect on Japan of the restriction of its trade with China. Menzies, like Holland, made it clear that although there was in both their countries a good deal of resentment against Japan for its wartime atrocities, nevertheless they were anxious to overcome hatred and accept the friendship which

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[5] Il n'a pas été possible de trouver un rapport canadien sur la septième réunion des premiers ministres, au cours de laquelle Ceylan a annoncé sa décision de devenir une république et a indiqué son désir de continuer à faire partie du Commonwealth. Rédigé par le gouvernement britannique, le procès-verbal de la réunion indique simplement que les autres premiers ministres ont accédé de bonne grâce aux souhaits de Ceylan, presque sans discussion. Pour obtenir le compte rendu de la première partie de la huitième réunion, voir le document 654.

A Canadian report on the prime ministers' seventh meeting, in which Ceylon announced its decision to become a republic and indicated its desire to remain in the Commonwealth, was not located. The minutes of the meeting compiled by the British government indicate simply that the other prime ministers graciously accepted Ceylon's wishes with little discussion. For the first part of the eighth meeting, see Document 654.

Japan had offered. On the whole there were no words of very special interest in the discussion and remarkably little difference of opinion.

2. After the discussion on Japan, Sir Anthony Eden expressed concern over the position of the Commonwealth forces in Korea. They were anxious to maintain the position that the Commonwealth was involved in Korea, but it was expensive to maintain forces there especially as they had to pay in gold. He wondered, therefore, if the Commonwealth's interest could be displayed in some other way. As it was too late to discuss the matter very thoroughly, and as it did not involve some of those present, Sir Anthony suggested that the problem should be examined by officials of the Commonwealth countries concerned. There has been no suggestion, however, that this examination should take place during the course of this conference.

L.B. PEARSON

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652. DEA/50085-F-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 915 London, July 5, 1956

SECRET

NINTH MEETING COMMONWEALTH PRIME MINISTERS CONFERENCE

Most of this meeting was devoted to consideration of the final communiqué. During a brief period in which the subject of relations with the Soviet Union was resumed, Sir Anthony Eden and Mr. Nehru restated their positions along the lines previously outlined.

2. A draft for a communiqué which was somewhat more in the form of a declaration was put forward by Mr. Menzies. It was unfortunately not a very well considered draft, lacking the required elegance and elevation of tone. What was more unfortunate was that it had apparently never been looked at from the point of view of the Asian members or of South Africa. It referred, for example, to "British Commonwealth", forcing Nehru to the embarrassment of having to suggest an alteration. It implied that Soviet policy had been critically examined and was being met with a certain amount of defiance in tones which might have been suitable for the old Commonwealth but showed no appreciation of the Indian or Ceylonese position. Mr. Nehru showed some signs of irritation for the first time during the conference, but he nevertheless made his points with restraint. Mr. Strijdom took issue, on the whole appropriately, with the implication throughout that the Commonwealth was an entity. Mr. Menzies for his part accepted most of these points pretty reasonably. After preliminary consideration the communiqué was left to the experts to discuss in the evening.

3. In conclusion there was some talk about Southeast Asia. Most of the time was taken up by Lennox-Boyd who outlined the recent negotiations with Marshall and his colleagues from Singapore. He paid tribute to Marshall as a brilliant and attractive character who suffered from unfortunate idiosyncrasies. However, he was a "bird of passage" and did not have the support of his colleagues on the delegation. He spoke of Lim Yew Hock as "an admirable man" and expressed complete confidence that the situation in Singapore was

now calm and stable. The people of Singapore had settled down with immense relief to make money, an occupation which had been their principal interest for a hundred years, and which had been made possible under the British flag. On the whole, his dealing with the negotiations with Marshall was a reasonable explanation but his manner and his not entirely convincing analysis of the present situation were not very well calculated to win the sympathy of the Asian members present. Mr. Nehru, however, limited himself to a few brief questions. Eden spoke more understandingly about the great regret which the British had in the necessity to maintain emergency powers. They disliked them intensely, but could see no alternative in the present situation.

4. In conclusion, there were a few brief comments on Indochina, but before the discussion got under way it was agreed that this matter might better be discussed among the countries principally concerned. Mr. Pearson reported that he was to have talks with Krishna Menon in the morning, and it was agreed that the Indians and Canadians would also talk with Selwyn Lloyd.[6]

L.B. PEARSON

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653. DEA/50085-F-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 916 London, July 5, 1956

TOP SECRET

COMMONWEALTH MEETINGS DEFENCE POLICY[7]

A limited meeting to consider aspects of defence policy was held on July 3 and was attended by the Prime Ministers of the UK, Canada, Australia, New Zealand, South Africa, Pakistan and Rhodesia. The UK were careful in references to the meeting to speak of a discussion not of "Commonwealth defence" but of aspects of defence.

2. Eden began with an extensive review of UK thinking on defence. He said the UK were making a general review of their defence policy. It was too early to say what changes of policy would be involved. The basis of this thinking was that the Russians had realized the nature of thermo-nuclear war. At least for Europe the risk of a major war had receded, and the balance of power in conventional weapons was now less important. It should not be argued that thermo-nuclear weapons were not a deterrent because we would hesitate to use them. We must be prepared to do so because we could not win in conventional armaments race with the Russians. The UK was bearing more than its share of the defence burden in Europe and unless this position was reviewed British opinion would grow very critical of Germany. NATO defence concepts needed reexamination. Present NATO military policy was atomic rather than thermo-nuclear. In the new situation conventional forces were required for more limited purpose of dealing with infiltration, to prevent intimidation and give time for aggression to be identified. It was no longer realistic to provide for a long

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[6] Voir Volume 23, Chapitre 4, 1ère partie, section a.
See Volume 23, Chapter 4, Part 1, Section a.

[7] Voir aussi/See also Document 544.

war but rather to assure that the deterrent would be maintained and likewise the carriers for it. However the UK would not take any unilateral action without consulting NATO.

3. Eden then made some remarks of considerable interest in the context of our disarmament policy. He said that we had received a note from the Russians telling us what they intended to do about disarmament in East Germany. If we could meet in NATO and decide what we could do in Germany, he would be prepared to have us make these proposals in our reply to the Russians and indicate our willingness to discuss with them further measures for the relaxation of tension. It was only by producing imaginative policies that we could gain the initiative.

4. In the Middle East and Far East he thought ground forces had a more important role to play. He stressed also the importance of alliances like SEATO and the Baghdad Pact. In Far East he thought that in Indochina there were more prospects of danger than in the Formosa straits.

5. The Chief of the Airstaff (UK) expressed agreement on the power of the deterrent. He and Eden painted a grim picture of thermo-nuclear war and he emphasized that the major factor would be the first sortie. There might or might not be a chance for a second or third sortie.

6. Lord Mountbatten said that the UK chiefs of staff had not yet reached final conclusions in their investigations, but so far they thought that the three countries with thermo-nuclear weapons could reach a stage of saturation when they had more than enough weapons to obliterate each other. When we had this state of saturation then the day of conventional weapons might come again so that one could not say that that day was ended for certain. He did not want anyone to run away with the attractive idea that a few bombers were all that was needed for defence. (There was some concern expressed after the meeting by UK officials on what the First Sea Lord had said, which may account for the fact that his statement seems somewhat modified in the official record.)

7. Mohammad Ali feared that when the day of saturation was reached, local pressures would increase. He illustrated his point by referring to Soviet policy in Afghanistan and its threat to the Baghdad Pact. He expressed some dissatisfaction with the vague nature of the military plans of the Baghdad Pact and on the tendency to stress its economic at the expense of its military aspect. He was most anxious to end the dispute with India so that military actions under the Baghdad Pact would not be misunderstood in India.

8. Strijdom asked whether the Cape Route would be used for supplying the Baghdad countries. Sir Walter Monckton said they hoped to store as much as possible in the area and to send a good deal by air.

9. Menzies agreed with Mohammad Ali that development of nuclear weapons would encourage localized aggression. He seemed sceptical of the theory that an end had been put to the risk of major wars and feared piecemeal advance of China through Southeast Asia. He feared general public pressure to cut down defence expenditure if this was happening in large countries. He wondered if we might not warn the Russians that any minor war they started would lead automatically to a major war. Mountbatten replied that this meant, in fact, telling the Russians that we should all commit suicide together because that was what thermo-nuclear war meant.

10. Mr. St-Laurent asked if it was realistic to suppose that NATO could be maintained on the basis of this concept of total annihilation. Mountbatten said that the chiefs of staff were very conscious of the effect on NATO and they were working on a plan to maintain NATO in spite of a theory which would seem to imply that all those without thermo-nuclear weapons might as well withdraw. He did not say anything about the nature of this scheme.

11. In conclusion, Monckton emphasized that they were not saying that the theory of the deterrent meant that they would no longer need conventional weapons. They were only saying that they would need fewer conventional forces in Europe.

L.B. PEARSON

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654. DEA/50085-F-1-40

Note du secrétaire du Cabinet

Memorandum by Secretary to Cabinet

SECRET Ottawa, July 19, 1956

MEMORANDUM FOR RECORD IN LIEU OF TELEGRAMS RE COMMONWEALTH MEETINGS — SESSION ON NUCLEAR ENERGY FOR PEACEFUL PURPOSES

JULY 4TH, 1956

The meeting was opened by Lord Salisbury, Lord President of the Council, who is in charge of the atomic energy programme in the United Kingdom. He reported on the progress of the general programme which had been outlined at the previous [1955] Commonwealth meeting. It was proceeding largely along the lines then explained and as set forth in the government White Paper on the subject[8]. What was then described as a provisional plan has since been confirmed. They are proceeding first with gas-cooled graphite-moderated natural uranium reactors as the first stage of a nuclear power programme. They regard this type as reliable, economic and safe. They felt the present prospects of this programme were encouraging. The first prototype reactor was now being run-in and will be formally opened on October 17th and followed in six months by another at the same site at Calder Hall. Two more on that site are planned for completion in 1959 and four additional ones nearby which are also hoped to be ready in 1959. These are dual purpose reactors producing power to be fed into their main grids, plus plutonium for weapons. These reactors will also be used for training industrial personnel. Their industry is now preparing tenders to be submitted to the U.K. power authorities for wholly industrial nuclear power stations to be completed in 1961 or 1962. These would be the stations mentioned in the White Paper, which it was hoped to bring into operation in 1960-61. The earlier estimate that each of these stations would have an electrical output of 100-200 MW. now appeared to be conservative: it was hoped that the output might amount to 300 MW. The subsequent programme provided for two more stations to be in operation by 1963, four more by 1963-64 and a further four by 1965. The total output of these stations should amount to about 2,400 MW., or the equivalent of about 4 to 7 million tons of coal a year.

Lord Salisbury said that it is not intended that the United Kingdom would stick to this type of reactor alone. The atomic energy authority is working on seven other types of reactor as well. They had been held up at an earlier stage by a shortage of staff, but that phase is passing. They are making more arrangements now to provide access for industrial staff to the work being done on reactors and a new class of consulting engineers in the nuclear field is now emerging in the United Kingdom.

He went on to speak of cooperation in this field within the Commonwealth, mentioning of course the close relations between the United Kingdom and Canada. He spoke of the agreements for the exchange of information with Australia and India and discussions with other Commonwealth countries on these matters. The United Kingdom felt a special responsibility for contributing to Commonwealth knowledge in this field of atomic energy because they derive their supplies of uranium and thorium from Commonwealth sources. He made brief mention of the U.S. agreement for cooperation which he described as now working well and referred briefly to U.K. participation in efforts to work out the establishment of the International Atomic Energy Agency and some cooperation in the atomic field in Europe. He concluded by saying that while the future lines of development in the atomic field must necessarily be speculative, it was already clear that the successful harnessing of the immense resources of atomic power for peaceful purposes would represent the greatest and most enduring contribution to civilization since the discovery of fire.

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[8] Voir/See United Kingdom, Parliamentary Papers, Cmd. 9389, *A Programme of Nuclear Power*, London: Her Majesty's Stationery Office, 1955.

Sir Anthony called on Mr. St-Laurent who spoke briefly on the Canadian programme. He pointed out that Canada had started early on this subject in cooperation with the United Kingdom and the United States on the military programme during the war. He said that we had a substantial research establishment in this field with one large research reactor operating and another one being constructed which would produce plutonium for sale to the United States. We have also been producing radio active isotopes for some time for various purposes. Now the emphasis is being shifted to the development of reactors for power purposes.

Turning to the question of uranium production, Mr. St-Laurent stated that we have now found large quantities of uranium in low grade ores that can be treated economically in Canada and our production is being expanded and may reach a total of as much as $300 million per annum within the next few years. We are looking forward to the time when this uranium can become an ordinary fuel that will supplement other sources of power. He said our mines producing uranium will have their investments in treatment plants amortized when their contracts run out early in 1962 and should be in a position to produce uranium at prices that will make that form of power competitive with other sources of power.

While we would not have much need for atomic power in Canada, we were constructing a demonstration reactor and working in the field of power production in order to do our part in developing this new science.

Mr. St-Laurent went on to say that Canada was much interested in establishing the new International Atomic Energy Agency and hoped that the Agency would have the effect that uranium could be dealt with as an ordinary commercial product.

He mentioned the joint programme Canada was carrying on with India to construct a research reactor in India and hoped that it would help to strengthen the bonds between the east and the west in a manner that would be useful and productive.

Mr. Louw, on behalf of South Africa, indicated that it was doubtful whether they would be interested in developing atomic power there because of their plentiful supplies of coal, but they were interested in the general development of atomic energy for power purposes because of their production of uranium which was a by-product of their gold mining. He said that it would be valuable in attracting capital for the production of uranium if the secrecy arrangements in regard to uranium production could be relaxed.

Mr. Louw mentioned various details of what South Africa had been doing in research and training in the nuclear field and concluded by stating that his government had just decided to provide funds to build a reactor in South Africa. He said that they were interested in the discussion on the International Agency and wished to be represented on the Board of it.

Mr. Menzies, for Australia, said that they were producing considerable quantities of uranium ore and additional mines were being opened up. He said the extent to which there appeared to be any need for using nuclear power in Australia would depend on the economics of it. Some parts of the country were going to have hydro power and others had ample coal supplies.

He enquired of Lord Salisbury what he saw as the economic future of nuclear power as compared with thermal power and what possibility there would be of buying reactors off the shelf.

In reply, Lord Salisbury said that they believed that hydro power would continue to be the cheapest source, but that they would get power from uranium down to a cost of 0.6 d. per unit in due course. Like hydro plants, the capital costs of nuclear power plants were very high and their running costs were low. He said they had not yet solved the problem of the small reactor. In regard to export of reactors, he thought it might be possible to start discussions next year and perhaps sign contracts for export two or three years later.

Mr. Nehru commenced a fairly lengthy participation in the discussion by saying that the need for atomic energy was likely to be greater in under-developed countries than those which had already developed conventional sources of power. He thought that there were parts of India where atomic power would be of great help and would be cheaper than energy from any other source. He went on to say that India had made some progress in research in atomic energy, that they had already constructed a small swimming-pool type research reactor and were now constructing a much larger research reactor with the assistance of Canada. He stated that it was intended that this large research reactor should be available for training people from other Asian countries.

He expressed concern over several aspects of atomic energy developments. One was the question of what was to be done with the waste products from reactors. He was afraid that these might affect even the oceans. Secondly he wondered if there was any likelihood of getting economical energy from atomic fusion. He had heard that the Russians were working on these processes and he thought it was likely in the long run to provide cheaper energy than fission.

He mentioned also the desirability of the International Atomic Energy Agency becoming an integral part of the United Nations and representing as many as possible of the countries of the world interested in this great field.

He emphasized the danger of this source of energy becoming the monopoly of a few countries when many others needed it. He referred specifically to China and said that he thought China should be participating in the Agency not only so that it would secure information and assistance, but also in order that it would be subject to some international control.

Mr. Nehru also expressed concern over the possible increase in the number of countries that might engage in the production of atomic weapons. He was afraid that the materials and processes that were being developed to secure energy for peaceful purposes might be easily converted to the production of weapons. He expressed alarm that already various countries other than those three now making weapons were talking of producing them — France for example. He thought this great power for peace which had a menace attached to it would need to be controlled and it was necessary to consider just how this was to be accomplished. He supported the removal of secrecy in this field and thought that publicity and full disclosure of information would assist in meeting the dangers inherent in it. Finally he felt that very careful studies should be made and made public concerning the dangerous aspects of radiation.

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In regard to Mr. Nehru's question concerning waste products, Lord Salisbury stated that there were two types of waste — one that was highly active and another that was only modestly active. There is not much of the highly active material and it does not constitute a serious danger now. The time may come when it may be more of a problem and it should be watched internationally as well as nationally.

In regard to the use of atomic fusion for energy by the Russians, Lord Salisbury said that he did not think they were ahead of the western nations in this field but that they did not know in fact what the Russians may have achieved.

Lord Salisbury also spoke in regard to the question of other countries producing atomic weapons and said that the U.K. government shared the concern Mr. Nehru had expressed. He thought that one of the reasons the United States had offered substantial amounts of uranium 235 for peaceful uses in other countries was to head off the building of separation plants by other countries, the products of which might be diverted to weapons.

Sir Anthony added that, in regard to the reports of dangers from radiation, the scientists of both the United Kingdom and the United States had reached similar conclusions that there were no serious dangers as yet.

In answer to a question from Mr. Louw concerning the use of nuclear energy for propelling ships, Lord Salisbury said that they were not doing very much in this field but Sir Edward Plowden advised him that they are starting work on it.

Mr. Mohammad Ali spoke briefly on behalf of Pakistan. He said they had just started on a programme of atomic energy work. His country was short of fuel and greatly in need of energy. Though it had some potential hydro electric power, it was tucked away in corners of the country. Consequently they thought atomic energy would be a great boon to them in due course because it could be located anywhere. They had started with a programme of training and were hoping to set up a research reactor. He said they would be grateful for assistance from the United Kingdom, Canada and from India. He said that they had in mind an immediate programme of training and going on to a research reactor and then to power reactors.

Lord Salisbury indicated that he would be glad to talk with Mr. Ali or his officers about this programme.

Mr. Bandaranaike said that owing to their good fortune in having substantial potential sources of hydro electric power, they would not have any immediate need of atomic power in Ceylon. They were, however, an important potential source of monazite and would be interested in developing markets for raw material.

There had been some discussion by the United States of a proposal to establish a reactor in Ceylon but it had now been decided to put this research station in the Philippines. An American team had recently visited his country to discuss whether they would cooperate in an atomic energy project and he thought it was probably this one in the Philippines. He said that they would prefer to collaborate within the Commonwealth in this general field.

Lord Malvern said that his Federation would continue to cooperate with the United Kingdom in prospecting for minerals required in the atomic energy programme and they already had one small uranium mine. They did not expect, however, to engage in any nuclear energy programme in the near future as they had hydro electric power to develop.

In concluding the meeting, Sir Anthony emphasized that the nuclear energy programme of the United Kingdom would only supplement the production of power from other sources for many many years.

He expressed pleasure in the way in which cooperation within the Commonwealth in this field of atomic energy was forging another valuable Commonwealth link.

R.B. BRYCE

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655. DEA/50085-F-1-40

Note du secrétaire du Cabinet

Memorandum by Secretary to Cabinet

SECRET Ottawa, July 20, 1956

COMMONWEALTH CONFERENCE — 11TH MEETING; DISCUSSIONS ON COMMUNIQUÉ

The discussion of the final communiqué commenced at the ninth meeting held on Wednesday afternoon, July 4th, at which Mr. Menzies submitted a draft for incorporation. There was a brief discussion that afternoon at which it was decided that mention should be made of the Colombo Plan and of the Council for Technical Co-operation in Africa. It was agreed that there would be a drafting session of officials that evening.

At the evening meeting Mr. Norman Robertson and Mr. R.B. Bryce attended for Canada and went over a draft that had been prepared as usual by the United Kingdom and which incorporated various parts of Mr. Menzies' draft, suitably improved. An agreed revised draft was prepared by those attending the meeting and taken home that night by all concerned. This was discussed at the meeting of Prime Ministers on Thursday afternoon, July 5th. At this meeting Mr. Nehru took a considerable part, and while recognizing that no government could expect that its own point of view on the particular subject would be fully reflected, he thought it was most important to ensure that nothing in the communiqué conflicted with declared policies of individual governments in the Commonwealth. He thought that it was also desirable to avoid statements that would give rise to embarrassing contradictions in interpretation.

There were a number of suggestions of detail which need not be recorded here.

The point of importance in this discussion concerned the question of recognition of Communist China. Mr. Nehru felt there would be justifiable criticism if there was no reference to it in the final statement about the discussions. He thought there was no more vital or urgent issue than the admission of Communist China into the United Nations. He felt that if she had been a member some years ago the course of history might well have been different and, indeed, the Korean war might never have occurred. He said that the régime of Chiang Kai-shek was an exploded myth and that the whole recognition of this government instead of the actual government of China was based on illogicality and unreason. He felt that the continued obstinacy of the United States in supporting this discredited régime created dangers for the United States no less than for other countries. He recognized that nothing would be gained by forcing these issues with the United States at this moment, but he thought that the communiqué should express the view that Communist China should be admitted to the United Nations.

Others, however, demurred at such an explicit proposal and, while agreeing that it would be difficult to avoid any mention of this issue in the statement, thought it should be referred to in rather more general terms.

The officials met again that evening in a drafting session and revised the draft communiqué in the light of the discussion of Ministers that afternoon.

On Friday morning the Prime Ministers again resumed discussion of the communiqué. At this meeting Mr. Nehru suggested that the passage about broadening the membership of the United Nations should include a reference to the need for making the organization more fully representative. Mr. St-Laurent, however, said he felt it would be inappropriate to include in the statement anything that might be construed as committing individual governments in advance to a particular course of action under conditions which could not yet be predicted. This view was supported by Mr. Menzies and Mr. Holland in discussion. Mr. Nehru soon recognized that he could not succeed in achieving his point in regard to an explicit reference to the recognition of China or the admission of it to the United Nations and he yielded gracefully on the issue.

During this final discussion on the communiqué a paragraph was added about Cyprus and sentences about a comprehensive disarmament agreement and other matters were inserted. Lord Malvern expressed his appreciation of the sentence relating to the attendance of the Prime Minister of the Federation of Rhodesia and Nyasaland.

Following this meeting the communiqué was finally revised and issued in the form that was published.[9]

R.B. B[RYCE]

2e PARTIE/PART 2

PLAN DE COLOMBO
COLOMBO PLAN

SECTION A

CONTRIBUTION CANADIENNE, POLITIQUES ET PRATIQUES
CANADIAN CONTRIBUTION, POLICIES AND PRACTICES

656. PCO

Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet

Memorandum from Secretary of State for External Affairs
to Cabinet

CABINET DOCUMENT NO. 231-56 Ottawa, November 28, 1956

CONFIDENTIAL

"COUNTERPART FUNDS" UNDER THE COLOMBO PLAN

In 1951 and 1952 the Government of Canada entered into comprehensive Colombo Plan agreements with the Governments of Ceylon,[10] India[11] and Pakistan.[12] These established the general conditions and agreed principles under which Canada would furnish assistance to these countries under the Plan. Each agreement provided, *inter alia*, that if goods financed by grants from the Canadian Government were "sold or otherwise distributed to the public" of the recipient country, an amount equivalent to the Canadian Government's expenditures would be set aside as "counterpart funds". These local currency funds were to be used to finance economic development projects agreed upon by the two governments concerned.

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[9] Voir Canada, ministère des Affaires extérieures, *Affaires Extérieures*, vol. 8, N° 8, août 1956, pp. 228-232.

See Canada, Department of External Affairs, *External Affairs*, Vol. 8, No. 8, August 1956, pp. 220-224.

[10] Voir/See Volume 18, Document 638.

[11] Voir Volume 17, les documents 578, 583./See Volume 17, Documents 578, 583.

[12] Voir Volume 17, les documents 580-582./See Volume 17, Documents 580-582.

2. In addition to these three general agreements, Canada has entered into a number of specific intergovernmental agreements related to particular projects under the Colombo Plan. These agreements define the financial and other responsibilities of Canada and of recipient governments in connection with the individual projects. Following the procedure agreed upon in the general agreements referred to above, these agreements provide that the government of the recipient country will establish "counterpart funds" in local currency for the goods provided by Canada should the goods be sold or otherwise distributed "to the public". In some cases they go further and provide for "counterpart funds" if the goods are transferred to government agencies or to provincial governments.

3. It is possible to distinguish between "real counterpart funds" and "notional counterpart funds". "Real counterpart funds" arise when the goods are actually sold to the public for cash and the current revenues of the recipient governments are increased immediately as a result of the sale. On the other hand when goods are disposed of against some long-term obligation, for instance, an increase in the book-debt owed by a provincial government to a central government, are transferred as an outright grant to an autonomous government operating agency of a provincial government or are distributed without charge or at a subsidized price, the funds are completely or partly "notional" in the sense that either they are reflected in book entries but not in any current cash receipts, or the immediate cash receipts may be less than the amount of "counterpart funds" set aside. "Real counterpart funds" usually, but not necessarily, arise when Canada provides food or raw materials (e.g., wheat, flour, copper and aluminum); "notional" ones when Canada provides capital goods to a central Government and these are then transferred to a Crown Corporation or to a state, provincial or local government (or conceivably also if the transfer were to a private firm which was capable of playing an important role in the country's development and the central Government wished to encourage or support it by allowing equipment to be transferred on a long-term credit basis).

Reasons for Counterpart Funds

4. The setting up of "counterpart funds" was undertaken for a number of good reasons and with a number of objectives in mind:

(1) it would ensure that the current revenues of recipient governments derived from the cash sale of goods provided by Canada would be used for economic development purposes and not to finance ordinary expenditures;

(2) it would provide a useful means by which Canada could devote some of its foodstuffs and raw materials to support the development programmes of the recipient government while ensuring the implementation of the Canadian Government's general policy of having its aid programme associated with capital development projects in the recipient countries;

(3) it was hoped that this procedure might provide an additional incentive for the central governments to require the ultimate recipients of capital goods to make appropriate allowances for the value of such goods in their cost accounting and amortization arrangements; and

(4) it was hoped that, even though the transaction might not bring any new money into the central government currently, those governments might be induced to devote larger amounts to their own economic development than would otherwise be the case.

Objections to Counterpart Funds

5. Some years of experience show that the first two objectives are fully understood, considered worthwhile and readily accepted by all concerned. But they also reveal that the setting aside of "notional counterpart funds" with no objectives in mind other than the third and fourth is objectionable on a number of grounds:

(1) any public relations value which the existence of such funds might seem to have is more than offset by the impression which is created that Canada is seeking to obtain credit for twice the contribution it in fact makes, once when the capital asset is provided and again when the "counterpart funds" are assumed to have been created and allocated;

(2) there appears to be little logic in creating "counterpart funds" for goods sold or transferred to another government or another governmental agency (or even to a private firm which was equally involved in the development programme) when no such "counterpart funds" would have been required if the goods had been retained by the central government and devoted to identical economic development purposes;

(3) it has sometimes proved difficult to find appropriate "uses" for such "notional counterpart funds";

(4) the Auditor-General of at least one Asian country (Ceylon) has occasionally criticized the delays in "using" such "notional counterpart funds" and this has no doubt detracted unjustifiably from the reputation of the national planning agencies and of the Colombo Plan as a whole;

(5) the Canadian Auditor-General has raised questions about methods of computing and accounting for such "notional counterpart funds" to which there cannot be entirely satisfactory answers, given the nature of these funds;

(6) the knowledge that "notional counterpart funds" are essentially fictitious has tended to discredit "counterpart funds" generally and has undoubtedly led to the "real counterpart funds" being given less serious treatment than they deserve.

These objections take on added force when it is realized that the governments concerned take a reasonably sensible view of their financial and economic responsibilities without the cumbersome and irritating introduction of special devices. It might be equally effective and a good deal less troublesome for both the Asian and Canadian Governments if the recipient government were to be asked simply to inform the Canadian Government of the general terms on which it intends to transfer or sell capital goods provided by Canada to other public bodies or to private firms involved in the development programmes. If, on occasion, the manner of disposition did not appear satisfactory to the Canadian Government or if it appeared to be in Canada's interest to have "counterpart funds" set aside even if such funds were "notional", the offer of aid could be withdrawn, the recipient government could be asked to set aside "notional" funds or some other action could be taken.

Recommendations

9. In the light of the foregoing considerations and on the understanding that none of the goods provided by Canada will be re-exported, I recommend, with the concurrence of the Ministers of Finance and of Trade and Commerce, that

(a) "counterpart funds" in an amount equivalent to the Canadian outlay on goods and services, should be set aside in all cases where Canadian aid takes the form of commodities such as raw materials and foodstuffs, or other consumables;

(b) for the future, as a general rule, no automatic request be made for the establishment of "counterpart funds" in the case of capital goods, but the government of the recipient country be requested to inform the Canadian Government of the terms and conditions of any transfer of capital goods to be provided or provided by Canada which it proposes to make in order to allow the Canadian Government to take any action which it deems to be in its own interest, such as requesting the establishment of "counterpart funds" or, perhaps, in the final analysis withdrawing its offer of assistance;

(c) officials of the Departments concerned be instructed to review Colombo Plan agreements already in force for the purpose of bringing them, wherever practicable, into conformity with (a) and (b) above.[13]

L.B. PEARSON

Concurred in:
W.E. Harris
Minister of Finance
C.D. Howe
Minister of Trade & Commerce

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657. **PCO**

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT NO. 232-56 Ottawa, November 28, 1956

CONFIDENTIAL

AMOUNT OF CANADA'S CONTRIBUTION TO THE COLOMBO PLAN IN FINANCIAL YEAR 1957-58

The Canadian contribution to the Colombo Plan for the financial year 1955-56 was $26.4 million. For 1956-57 Parliament approved a contribution of $34.4 million, the additional $8.0 million being intended for expenditures principally in connection with the Warsak project in Pakistan and the Canada-India atomic reactor project.

The basic amount of $26.4 million contributed by Canada to Colombo Plan projects in the past two years has been allocated in approximately the following pattern:

over $13.0 million to India;
over $9.0 million to Pakistan;
$2.0 million to Ceylon;
$1.4 million for the technical assistance programmes;
and a limited amount of assistance for the newer members of the Plan in South-East Asia.

The additional $8.0 million approved for the financial year 1956-57 was intended for the following purposes:

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[13] Approuvé par le Cabinet le 28 novembre 1956./Approved by Cabinet on November 28, 1956.

to pay $2.0 million of the $11.0 million which is the estimated additional cost of the Warsak project in Pakistan, and which Cabinet has already agreed to finance;

to pay $5.0 million towards the cost of the Canada-India reactor, the total cost of which is estimated to be $7.0 million; and

the remaining $1.0 million for the expanded programme of technical assistance to the newer members of the Colombo Plan.

The annual meeting of the countries which are participating in the Colombo Plan is now taking place at Wellington, New Zealand. The Canadian Delegation is headed by the Minister of National Health and Welfare. It is expected that representatives of participating countries will indicate at the Wellington meeting their support for the continuation of the Colombo Plan. To the best of our knowledge, the donor countries of the Plan intend to continue assistance to the underdeveloped countries of the Plan on at least the present scale.

Opinion in Canada appears in most quarters to be favourable to Canadian participation in the Colombo Plan, and there have been many suggestions that Canada should provide increased assistance in this area. Moreover, in the light of the present political difficulties in the Middle East, the Colombo Plan undoubtedly has taken on even greater significance as a means of preserving the ties of friendship and mutual interest among the Asian and Western members of the Plan (Commonwealth and non-Commonwealth alike), and in presenting to the world at large an example of successful co-operation in the field of economic development among countries whose political relationships have been subjected to recent strains.

There are worthwhile development projects in all of the Colombo Plan countries of South and South-East Asia which are in need of outside assistance. In view of the present fluid state of politics and opinion in this area, and in the light of the domestic situation in Canada, however, it does not seem desirable to expand the amount of Canada's present Colombo Plan assistance. At the present time it is considered, therefore, that the total amount of Canadian assistance under the Colombo Plan in 1957-58 should be the same as last year, $34.4 million.

It is difficult at this early stage to make a precise division of an appropriation of $34.5 million among the various countries receiving Canadian assistance, or to projects in these countries. The various possibilities are currently being further investigated by Mr. Cavell, the Colombo Plan Administrator, during a visit to the Asian countries in connection with the annual meeting in Wellington. Cabinet approval will, as in the past, be sought for the projects for each country receiving assistance as these projects are evolved. It is contemplated at the present time, however, that of a total appropriation of $34.4 million, $26.4 million would be used on the same pattern as in the past to finance the cost of projects in India, Pakistan and Ceylon, the technical assistance programmes and a limited amount of assistance to newer members of the Colombo Plan. Of the remaining amount of $8.0 million, $5.0 million would be used to cover additional costs of the Warsak project; $2.0 million would be for the Canada-India reactor; and $1.0 million would be used, as in the present year, for assistance to the newer members of the Plan.

This would mean that there would be about $13.0 million for projects in India in 1957-58, apart from the Canada-India reactor. The Indian Government, in its Second Five-Year Plan, has set out a number of worthwhile and reasonable development targets that they will be unable to fulfill unless they receive very substantial outside assistance. It is expected that Canada will be requested to assist in 1957-58, among other things, the financing of further aerial and ground exploration for minerals and oil, and also to give assistance by supplying commodities such as copper and aluminum.

Discussions with the Pakistan authorities are currently taking place regarding the supply of railway equipment and commodities, and assistance for irrigation schemes. Until there is a clearer indication of the probable total Canadian expenditures for Warsak it is contemplated that the consideration of any major new projects in Pakistan will proceed most cautiously.

The Ceylon capital assistance programme of about $2.0 million annually has been successful and should be continued.

Discussions are under way regarding assistance to projects in the newer members of the Colombo Plan, i.e., Indonesia, Burma, Malaya and Singapore. Among these are an aerial survey of resources in Indonesia, the supply of timber handling equipment and possibly diesel locomotives to Burma and the provision of assistance to technical schools.

There is a continued requirement from Colombo Plan countries for technical assistance, and it is clear that an amount of the same order as in previous years can usefully be spent on this form of assistance.

Recommendations

For the reasons given below, I would recommend that:

(a) Parliament be asked to approve a Canadian contribution in 1957-58 under the Colombo Plan of the same size as in 1956-57, i.e., $34.4 million; and

(b) the Canadian representative at the Colombo Plan meeting in Wellington, New Zealand, be authorized to announce that, subject to the appropriation of funds by Parliament, Canada will make a contribution of this amount.[14]

L.B. PEARSON

Note éditoriale

Editorial Note

En octobre 1956, tandis que l'on préparait le mémoire au Cabinet annuel sur les contributions canadiennes au titre du Plan de Colombo, MM. Saint-Laurent et Howe ont demandé à un petit groupe de hauts fonctionnaires d'examiner de près la politique canadienne relative au Plan de Colombo. En sa qualité de président de ce groupe, M. Bryce a affirmé aux hauts fonctionnaires : « [there] was no question about future participation in the programme, but what was desired was a review of its purposes and an indication of whether these purposes were being accomplished ». Ce comité informel constitué par le premier ministre comprenait MM. Bryce, Léger, Bull, Rasminsky, Plumptre, Cavell, A.E. Ritchie et W.R. Martin.

Les membres du comité se sont rencontrés cinq fois pendant l'automne de 1956 et ont convenu de préparer à l'intention des ministres un mémoire portant sur leurs délibérations et les conclusions auxquelles ils étaient arrivés. Les membres du comité se sont réunis de nouveau en avril 1957, pour la dernière fois. Ceux-ci n'ont pas eu le temps de finaliser le mémoire destiné aux ministres, néanmoins le document suivant mérite d'être publié. D'après une série de notes fournies par M. Léger, la première version de ce mémoire a été préparée par M. Martin en décembre 1956, puis révisée à la fin de janvier 1957, sous la supervision étroite de M. Bryce. Même s'il est resté inachevé, ce mémoire représente le premier effort déployé par le gouvernement en vue d'évaluer l'importance et l'efficacité de l'aide canadienne. La correspondance concernant ce premier examen de la politique en matière d'aide et les procès-verbaux des réunions du comité se trouvent dans les dossiers MAE/11038-40 et BCP/C-47.

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[14] Les deux recommandations ont été approuvé par le Cabinet le 28 novembre 1956.
Both recommendations were approved by Cabinet on November 28, 1956.

In October 1956, as the annual memorandum to Cabinet on Canadian Colombo Plan contributions was being prepared, St. Laurent and Howe asked a small group of senior officials to take a close look at Canada's policy on the Colombo Plan. As chairman of this group, Bryce reassured the officials that there "was no question about future participation in the programme, but what was desired was a review of its purposes and an indication of whether these purposes were being accomplished." The prime minister's informal committee included Bryce, Léger, Bull, Rasminsky, Plumptre, Cavell, A.E. Ritchie and W.R. Martin.

The committee met five times during the fall of 1956 and agreed to prepare a memorandum for ministers on its discussions and conclusions. The committee met once more in April 1957 before it ceased to meet. Although it did not have time to finalize the memorandum prepared for ministers, the following document merits publication. Based on a set of notes provided by Léger, the first draft of this memorandum was prepared by Martin in December 1956 and revised in late January 1957 under Bryce's close supervision. It represents an early, if incomplete, effort by the government to assess the value and effectiveness of Canadian aid. Correspondence on this early review of aid policy and the committee's minutes are in DEA/11038-40 and PCO/C-47.

658. DEA/11038-40

Note du secrétaire adjoint du Cabinet

Memorandum by Assistant Secretary to Cabinet

[Ottawa], February 25, 1957

COLOMBO PLAN OPERATIONS

Purposes of Participation

The primary objective of the Canadian government in contributing to the Colombo Plan is political. Basically it is to offer some hope, and to provide a sense of international cooperation, to the ruling and politically effective groups in the Asian countries concerned by assisting governments in sensible projects for economic development that seem likely to show results in the next few years. In doing this we hope to reduce the attractiveness of communism to these groups as an alternative and desperate solution to their problems.

There are a number of other motives for our participation and some convenient byproducts which result from active membership in the Plan but these, it should be emphasized, are essentially subsidiary in character. We hope to establish closer connections with the influential groups mentioned which will survive changes in whatever political course the Asian countries may take in the future. We want to maintain and strengthen ties with the Asian members of the Commonwealth. Then there is the general commercial purpose of trying to improve long run trade possibilities by making Canada's name better known, by providing an outlet immediately for some of our products, by training personnel and by teaching Canadian businessmen and consultants how better to handle foreign business in a part of the world where they have had few contacts. Participation also appeals to a fairly widespread sense of obligation to help those not as fortunate as we ourselves are.

To those who have been considering this subject there is no doubt that the main objective remains a sound one and that the lesser motives are worthwhile. Indeed, the reasons for continuing to participate are growing more cogent as time goes on. It is impossible to measure results quantitatively. However, it can be said that our aid has been useful and considered helpful by the recipients, that closer relations with the Asian members have been steadily developed, and that popular support for the plan in Canada has grown.

Extent and Forms of Aid

Since the inception of the Colombo Plan, $162.8 million has been appropriated by Parliament for capital and technical assistance. Of this, roughly $10.2 million has been apportioned for capital aid to Ceylon, $86.1 million to India, $58.1 million to Pakistan and $2 million to other countries. $4.8 million has been provided for technical assistance generally. This money has been distributed between projects in a wide variety of fields including hydro-electric power, transportation, agriculture, education, industry, health, surveys, construction and atomic energy, and occasionally as direct cash grants. The main emphasis has been on the provision of heavy equipment for power generation, locomotives and buses for transportation, commodities which were urgently needed and which generated counterpart funds to meet a portion of the local costs of major projects, engineering services and surveys, and an atomic reactor. This has been the case because, generally speaking, these are the items which appear to be needed most and because Canada is in a good position to provide them. For example, power is fundamental for the development of these Asian nations and Canada has a great deal of experience in this field. Then again, we are peculiarly well fitted to provide such commodities as wheat, flour and certain base metals. Transportation systems in these eastern countries are quite inadequate and Canada has been able to make an effective contribution in improving the available services. Surveys of resources are another essential and we have considerable experience in this work as well. In atomic energy for civilian purposes we are reasonably well advanced compared with many other nations, and for the reasons given at the time, it was considered particularly appropriate that we should provide India with a reactor.

On the whole it is therefore felt that, with one or two exceptions, the assistance which has been provided has been directed towards the right type of project and that its form and content have been generally appropriate. We have contributed in those fields where we best could, having regard to the need, our own availabilities and knowledge and, to a lesser extent, our competitive position.

Selection of Projects and Their Management

Selecting a project often presents difficulties. The pattern of development in countries to which we have given most assistance and in which we are likely to be most interested in the future is pretty well established in the programmes approved or considered desirable by the governments of those nations themselves. We cannot expect to have much influence on them. However, the field is so broad and so much needs to be done within the boundaries of these general plans that there are usually many projects which can be usefully supported or carried out with Canadian aid. An offer of help from Canada does not mean that something new and unthought of will be done, rather it usually affects the timing of a project on the desirable list of things to be done in each of the countries concerned.

In most of the projects with which Canada has been associated it has been necessary to provide assistance in working them out and to exercise managerial functions to a considerable degree. Inevitably this has involved some friction between the local people and the foreign supervisors. How far Canada should go in providing management, the effects of which might well impair the good relations we are trying to foster, is a difficult question. The Warsak project in Pakistan, for example, has led to troubles, which will probably not be serious in the end, but which would be unfortunate if they occurred frequently. Certainly it would seem advisable not to become so intimately involved again. Nevertheless, Canadian management will continue to be necessary for some time to come, depending on the nature of the project and the degree of experience the local people have acquired. On the whole, it is worth risking friction to see that the job is properly done, to help train individuals and perhaps to bring about, even in a small way, better understanding between some Canadians and some people from Asia.

Procurement

Most of the components and equipment used in Canadian sponsored projects have been procured in Canada. This must be the case if domestic support for the Plan is to be strengthened and maintained. It is also usually necessary to order in Canada because closer touch can be kept with suppliers, thus ensuring that deliveries will be on time. This is important if construction of the project is to proceed as planned and remain within the originally estimated levels of expenditure. Whether or not it would have been cheaper to buy certain equipment abroad is hard to say. Each project has to be judged separately and the circumstances in each case differ. It is probably true that, viewing a project as a whole, it is just as cheap to buy in Canada as elsewhere. Occasionally, of course, off-shore purchasing is necessary when the equipment needed is not available in Canada. This happens, for example, in the case of technical schools which are a particularly useful form of aid but which do not involve the expenditure of too much money.

Commodities and Counterpart Funds

Capital projects result in more technical training and a greater intermingling of local people and Canadian advisers than the provision of materials and commodities. Nevertheless, the latter will continue to form an important element in the Plan because they are needed, sometimes desperately, and they give rise to counterpart funds which help to take care of local development costs. The "notional" and "real" concepts of counterpart funds have been reviewed in detail. Subsequently the Cabinet decided that "counterpart funds" would be set aside in all cases where Canadian aid took the form of commodities and items to be sold, rather than used directly in a development project, but that, as a general rule, no request would be made for their establishment in the case of capital goods. Usually it is quite clear that real counterpart funds are devoted to development projects but it would be helpful if they were more clearly identified in national accounts so that their ultimate purpose could be definitely established.

Cash Grants, Loans and Credits

Suggestions have been made periodically that our aid should take the form of cash grants, loans or credits. Cash grants would on occasion probably mean cheaper procurement of capital equipment; they could also relieve the recipient's exchange position and they would simplify administration. On the other hand, they might result in less support in Canada for the Plan, although this would probably depend on whether they were tied to specific projects or sources of supply. It is probably preferable to continue to follow the practices we have established but to keep in mind that such grants are occasionally desirable, e.g. for technical schools in the smaller countries.

As for loans and credits, these can best be left to the international agencies already in the field, despite Russian use of this method of rendering aid. A change in our form of operations now would be very difficult. It would involve us in competition with the institutions who have the facilities and experience; it might result in less bank lending, and there is still lots of scope for this; and it raises the question of collection. It is no doubt true too that in this field Canadians probably prefer to give than to lend.

Administrative Arrangements

This aspect of our Colombo Plan operations remains to be considered and will be reviewed on the return of Mr. Cavell from his current trip in the East.

W.R. M[ARTIN]

[PIÈCE JOINTE/ENCLOSURE]

ADMINISTRATIVE ARRANGEMENTS

The administration of the Plan is inevitably complex because at least three departments have a direct interest in it. Colombo Plan aid is a tangible element of substantial proportions in our foreign economic policy. The Department of External Affairs, therefore, is responsible for seeing that the Plan is operated so that the purposes of participation are achieved and that relations with the Asian members are fostered and strengthened. The interests of the Department of Finance in a programme involving $34 million annually are obvious. Because External Affairs is not equipped for the task, supervision of programmes and the placing of contracts are responsibilities of the Minister of Trade and Commerce. The fact that these functions are exercised by this Minister also ensures that domestic sources of supply are given every consideration.

The nature of the programme is such that it is impractical to suggest any change in this division of responsibility, nor should the operations be any more difficult to administer than, for example, those of the Department of Public Works, which has to work so closely with user departments and agencies.

There is room for improvement in organizing interdepartmental advice and direction of the Plan. From time to time, reviews of general policy by the deputies of the departments most concerned are desirable. At more frequent intervals senior officials, under the chairmanship of an officer from the Department of External Affairs, should consider the general content of programmes and make recommendations to Ministers on them. To this group should report a different committee, convened by the Administrator of the Plan, which would have as its mandate more detailed consideration of projects, based on the preparations made by the Administrator and his staff.

Finally, with regard to the work of the International Economic and Technical Cooperation Division, it would seem to be desirable to provide for a small number of officers to represent the Administrator in the countries where the main work is being undertaken.

SECTION B

RÉUNION DU COMITÉ CONSULTATIF DU COMMONWEALTH SUR L'ASIE DU SUD-EST, WELLINGTON, NOUVELLE-ZÉLANDE, 4-8 OCTOBRE 1956

MEETING OF THE COMMONWEALTH CONSULTATIVE COMMITTEE FOR SOUTH-EAST ASIA, WELLINGTON, NEW ZEALAND, OCTOBER 4-8, 1956

659. DEA/19-1-D-1956

Bref à la délégation à la réunion du Comité consultatif du Plan de Colombo

Brief for Delegation to the Colombo Plan Consultative Committee Meeting

CONFIDENTIAL [Ottawa, October, 1956]

A. *General Orientation*: The Colombo Plan is a cooperative venture in the economic development of South and South-East Asia. Anything which contributes to the economic development of the region can properly be discussed in the context of the Plan. Canada is one of the countries involved in this cooperative venture; the countries in the area are, of course, making a much greater contribution to economic development in the area than is Canada or all the other member countries outside the Area. It is therefore not appropriate to speak of donor and recipient nations. The Plan is not an exercise in charity. Nor is it at all appropriate to speak of the Plan as having the negative purpose of countering communism.

The Colombo Plan originated, or course, as a Commonwealth effort, as an attempt by members of the Commonwealth to use the well-tried techniques of consultation for a continuing purpose in the area. The Plan now includes many important non-Commonwealth countries, notably, the United States, which, though it has not joined the Council for Technical Cooperation, is a full member of the Plan. In a sense, however, the Commonwealth membership may be regarded as a nucleus and as one of the reasons that consultation at the annual meetings has become relatively frank and effective.

B. *The Main Purpose of the Meeting* is to prepare and approve the annual report of the Consultative Committee which is a summary and evaluation of progress in economic development in the area during the past year. Each of the countries in the area is the subject of a separate chapter which each country prepares following a questionnaire drafted in accordance with discussions at Singapore last year. Each draft chapter is considered by a conference sub-group during the preparatory meeting of officials. Canada will serve on the Malaya-Borneo sub-group (Mr. Carson) and on the Indo-China sub-group (Mr. Baudouin).

The general sections of the report (Chapters I and II of the 1955 report) deal with rather non-controversial subjects than do the counting chapters. They attempt to evaluate the development of the area and the work of the Plan in the past year, and to set out general goals for the next year. The delegation will endeavour to see that these chapters in particular present a realistic analysis and offend neither Canadian policy consideration nor the known views of Asian representatives. This section of the report will call for comments at the Ministerial meeting.

The preparation and approval of the annual report is the first item on the agenda of the Ministerial meeting. The other items are: (b) Technical Assistance (see para. G);

(c) Colombo Plan Information Unit; (d) Form of questionnaire; (e) U.S. Proposal for Nuclear Energy Training and Research Centre; (f) Other business.

C. *Last Year* the two major questions on which the Canadian delegation had to take a position were (a) continuance of the Plan beyond 1957 and (b) the size of the Canadian contribution for 1956-57. As to (a), it was decided to continue the plan until 1961 with a comprehensive review of progress in 1959. As to (b) — Mr. Pearson announced that the Canadian Government proposed to ask Parliament to vote a significant increase in 1956-57 over the 1955-56 allocation. (It was decided later to ask Parliament to vote $34.4 million as compared with $26.4 million in the preceding year). Obviously (a) does not arise this year. As to (b) — the size of the 1957-58 contribution — this matter is now under discussion by Ministers;[15] Cabinet authority will be sought for Mr. Martin to make an appropriate statement at the meeting of Ministers.

D. *Aid to Newer Members of the Plan*: The question of the scale of Canadian aid to the newer members of the Plan will likely arise at least in talks with delegations from those countries. This year we allocated roughly $1 million out of the additional $8 million voted. This was in addition to the technical assistance they were already receiving out of the $1.4 million set aside for technical assistance to the whole area. The scale of Canadian aid to these countries depends upon the decision to be taken by Cabinet as to the size of Canada's contribution in 1957-58.

E. *New Members*: This question is unlikely to arise. Briefing prepared for last year's delegation is attached as Appendix A.[16]

F. *Position of Bureau for Technical Cooperation*: Last year's brief is attached as Appendix B.[17] The appointment of Mr. Nathan Keyfitz, of the Canadian DBS, as head of the Bureau has made it of more value. We would not be adverse to see Keyfitz's position strengthened though obviously we should avoid urging this openly.

It may be suggested by the Australians or Americans that the Bureau might become a Colombo Plan Secretariat and that such a Secretariat should review and evaluate development programmes and have some responsibility for awarding priorities to particular projects. If the issue was forced which seems quite unlikely, Canada would prefer to see the role of the Bureau enlarged rather than see a new and separate organization set up. But, in practice, we have a strong preference for mainly bilateral arrangements, and so do the Asian members of the Plan. Further, it would be unfortunate if the staff of such a Secretariat had to be stolen from among the few economic development advisors in the Asian countries of the Plan. We would seek Keyfitz's judgment on the availability of staff from the Asian members.

Still another problem that may arise in this connection concerns the role of the U.N. Economic Commission for Asia and the Far East in the Colombo Plan. Officially, ECAFE has an observer status, and we would oppose any enlargement of their role. Of course, we welcome their comments on economic developments and the many technical problems of aid. C.V. Narasimhan who will represent ECAFE, may tend to forget that he is merely an observer since in the past he has been head of the Indian delegation to the official meetings. Canada would oppose any suggestion that ECAFE should become co-ordinating group for the Plan. As ECAFE is a U.N. agency, such a role would be improper, both from the U.N. point of view and from the point of view of the Plan. However, use should be made of ECAFE's studies and statistics so far as appropriate.

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[15] Voir/See Document 657.

[16] Voir/See Volume 21, Document 248, pp. 547-548.

[17] Voir/See Volume 21, Document 248, pp. 548-549.

G. *Technical Assistance*. The Technical Assistance Committee will consider last year's recommendations, review progress in technical assistance, and consider the report of the Council. Last year's report of the T.A. Committee should be studied by the Canadian representative on this committee. It would be useful if Keyfitz could take the chair at this committee — this would help to give Keyfitz and the Bureau a bit more prestige and further, Keyfitz is probably, in terms of personality and competence, the best person to have as chairman.

H. *Nuclear Centre in Philippines*: It is understood that the U.S. will make only a short verbal progress report on this subject, as the report of the Brookhaven team is not yet available and as there is still a conflict of views within the Administration between those who want a cooperative organization in which the Asians would have a voice, and those who favour a centre virtually controlled by the U.S. (It is likely that before the Brookhaven report is released there will have to be extensive bilateral talks with the U.S. and Canada. When these bilateral talks might take place cannot be foreseen as yet).

I. *Statement by Leader of Delegation*: In his general statement Mr. Martin will wish to mention the size of the Canadian contribution, the medical mission, comment briefly on major projects now moving ahead (Shadiwal, Dacca-Chittagong, Kulna, Kundah, Canada-India Reactor) and outline what views it will be possible to express on the nuclear centre in the Philippines. The speech will be prepared by the delegation.

J. The Delegation is authorized to state that Canada will undertake to translate into French and reproduce selected Conference documents and the report.

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660. DEA/11038-5B-40

Le haut-commissaire en Nouvelle-Zélande
au sous-secrétaire d'État aux Affaires extérieures

High Commissioner in New Zealand
to Under-Secretary of State for External Affairs

LETTER NO. 457 Wellington, December 8, 1956

CONFIDENTIAL

DELEGATION REPORT ON THE 1956 MEETING OF THE CONSULTATIVE COMMITTEE FOR THE COLOMBO PLAN (PREPARED BY RODNEY Y. GREY)

1. Set out below are comments on various aspects of the 1956 meeting in Wellington of the Consultative Committee for the Colombo Plan.

2. Due to the fact that the most contentious item, the proposal to set up a nuclear centre in the Philippines, had been withdrawn from the agenda at the request of the United States, the discussions in the officials' meeting and the meeting of Ministers was relatively uninteresting and non-controversial. The most useful work was undertaken by the Committee on the Form of the Questionnaire which recast the questionnaire in order to reduce the editorial labours of next year's meeting of officials. The main subject of discussion among officials was the procedure that should be adopted by next year's meeting.

3. *Preliminary Working Group*: The Preliminary Working Group consisted of representatives of about half the countries in the Plan and for the first two days, although it met, it

was unable to work because of the absence of any Asian representative. A number of draft chapters were not available until almost the end of the two weeks of the Preliminary Working Group's existence and those that were available were either far too long or incomplete. The main job of the Preliminary Working Group was to cut down the chapters to approximately the right length; there was very little discussion of more substantive questions which might have emerged. However, the Preliminary Working Group was able to prepare a draft contributions chapter as well as editing all but two draft country chapters. The Preliminary Working Group spent a good deal of time discussing how it would go about its business, in part due to the fact that it was chaired by Mr. Owen Williams of the United Kingdom delegation who seemed unable to resolve minor procedural difficulties quickly. This resulted in a recommendation by the Business Committee, which was adopted by the Ministers, that next year's Preliminary Working Group should immediately resolve itself into a series of working teams who would pass on their work directly to the country chapters working groups at the officials' meeting. The Preliminary Working Group should meet as a group to consider the drafts prepared by its teams. There was a feeling that the Preliminary Working Group this year was hardly a success but that it was worth trying out for another year in its modified form, particularly in view of the fact that the new Questionnaire may produce a few draft chapters of a higher order than this year.

4. *The Officials Meeting*: At the officials' meeting the main activity was carried on in five committees — the Drafting Committee chaired by Mr. Raju Coomaraswamy of Ceylon, the Business Committee chaired by Mr. J. Moriarty of New Zealand, the Committee on the Form of the Questionnaire chaired by Dr. I.G. Patel of India, the Sub-Committee on Information chaired by Mr. R.G.N. Cavell, and the Sub-Committee on Technical Assistance chaired by Mr. Dexter of Australia.

5. The Drafting Committee discussed a few points of substance arising out of the drafts before it; it was unfortunate that most of its work was editorial drafting which could well have been done by the country chapter groups if there had been more junior officers present who were familiar with the Report and if they had received more guidance from the Questionnaire.

6. The Business Committee concerned itself with arrangements for next year's meeting. The majority favoured an arrangement whereby the officials meeting would have lasted three weeks, the first week of which would be attended by junior officers and would be intended to replace the Preliminary Working Group. However, the United States was unable to accept this proposal despite repeated appeals to bow to the will of the majority and therefore a recommendation was put forward (which was adopted by the Ministers) calling for a Preliminary Working Group to meet for one week rather than two and nominating a series of teams to deal with the country chapters.

7. The Committee on the Form of the Questionnaire radically recast the Questionnaire, particularly in the light of views expressed in the Business Committee by heads of delegations. It is believed that the new Questionnaire will produce a shorter Report with much more emphasis on the processes and pace of economic development in the region and rather less on description of projects and cataloguing of external assistance. This Committee was fortunate in that it was chaired brilliantly by Dr. Patel of India and the success it achieved is largely due to his efforts and hard work.

8. *The Sub-Committee on Information*: The Information Committee had before it some ambitious proposals put forward by the head of the Information Unit in Colombo, Mr. Chatterjee. The report of the sub-committee (which was noted by Ministers) calls for

very slight expansion in the work of the Unit but falls short of the ambitious proposals which were urged on it by Chatterjee and bitterly opposed by the Pakistani delegation.

9. *The Sub-Committee on Technical Assistance*: This committee recommended to the governments that they give renewed attention to the views set out in the report on technical assistance of last year and they suggested (in paragraph 9(v)) that there be an investigation of the operation of the Bureau. The United Kingdom is making an administrative expert available for a study of the Bureau in Colombo. This is a reflection of the fact that the management of this Bureau is a difficult matter because each member of the staff apparently feels free to consult his national High Commissioner in Colombo when he disagrees with any action being taken by the Director of the Bureau. It seems questionable whether an administrative expert will be able to solve this problem.

10. *Meeting of Ministers*: During the meeting of Ministers, Mr. Martin made three statements, which are set out as attachments to the minutes of the particular meetings. In his statement on the Canadian section of the contributions chapter, he was able to announce that the Canadian Government had approved the Ceylon Programme for 1956-57 and that it had been decided to ask Parliament to vote $34.4 million to the Colombo Plan for 1957-58.

11. *American Agricultural Surplus Disposal Programme*: In the American section of the contributions chapter, the draft as put forward by the United States stated that it was a fact that the United States agricultural surplus disposal programme did not affect world prices for the commodities in question. New Zealand, Australia and Canada felt that this statement was objectionable and urged the Americans to delete all reference to the effect of such sales on world prices and markets. However, the Americans insisted that, given the size of the programme, they were entitled to refer to the conditions under which goods were sold to countries in the area. After several adjournments of the Drafting Committee, a form of words was adopted which is not open to the same objection as was the earlier draft and which makes it clear that the sales are carried on under United States legislation which enjoins the President to make the sales without damage to normal United States markets and without unduly disrupting world prices. There is no suggestion in the draft as adopted that these instructions are followed.

12. *Asian Regional Nuclear Centre in Manila*: We understood that the Americans would make only a passing reference to this subject. However, the bulk of the United States delegate's speech at the Ministers' meeting on the American section of the contributions chapter was devoted to an exposition of the American offer to contribute $20 million to this centre, subject to satisfactory conditions being agreed upon by participating countries. Copies of the Brookhaven [National Laboratory] Report on this proposed nuclear centre were distributed to delegations. The American delegate proposed that a working group be set up to study the problems and difficulties created by this proposal and to make recommendations to governments for their consideration. No action was taken by the Consultative Committee. The initiative therefore rests with the United States to approach member governments to cooperate in such a working group. It was fairly obvious that the United States, anticipating some controversy on this subject, had had it removed from the agenda and that they had decided to introduce the proposal in such a way as to get minimum discussion and maximum publicity. The draft communiqué prepared for the officials by the New Zealand Secretariat contained extensive reference to the American proposal;

however, we were successful in having the amount of space devoted to this subject reduced by more than half and having a reference to the Canada-India reactor inserted.[18]

13. *Arrangements for Next Year's Meeting*: The Committee adopted the recommendations referred to above that the Preliminary Working Group should meet for one week rather than two weeks. When this subject was being discussed by Ministers, Mr. Martin suggested that governments ought to consider whether or not it would be appropriate to drop the convention of the host country paying delegates' living expenses. The United States delegate supported Mr. Martin's view; there was no other discussion. It remains to be seen whether the suggestion will bear fruit. It is understood that both Ceylon and Pakistan would prefer to pay delegates' expenses. No decision was reached by the Committee as to where the next meeting would be. In our telegram No. 100 of November 30† we stated that Ceylon and Pakistan were the most likely to offer. Since that time the Japanese have shown more interest, although they recognize that there are a number of Asian countries who would be unhappy at receiving an invitation to go to Tokyo. At the last moment, the Vietnamese decided they would like to issue an invitation and protracted negotiations began between interested countries. The Pakistanis in particular feel that neither Tokyo nor Saigon are appropriate. All delegates felt that the mechanical and administrative arrangements of the conference would be extremely difficult at either of these centres. The matter was left that the New Zealand Government would undertake to consult member governments in the near future and try to resolve the difficulty. It may well be that the United States may come forward with an invitation as the way has now been cleared for them to not pay delegates' living expenses. We have indicated to the New Zealanders our preference for Ceylon, as instructed in your telegram No. EE-383 of December 4,† and we have made it clear to them that we share their view and the view of the United Kingdom and many other countries as to the undesirability of holding the next meeting in Tokyo. Given the strength and logic of objections of a number of Asian countries to going to Tokyo, it would seem unwise to give any support to this suggestion.

14. The Report is to be released in national capitals on January 15 next.[19] One copy of the draft report and documents relating to it are being sent under separate cover. Minutes of the officials meeting and Ministers meeting and reports of the committees referred to above are also being forwarded by air cargo in a separate parcel. Copies of the Report will be forwarded from Wellington to posts in Colombo Plan countries.

RODNEY GREY
for High Commissioner

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[18] Pour le communiqué final, voir Canada, ministère des Affaires extérieures, *Affaires Extérieures*, vol. 9, N° 3, mars 1957, pp. 105-110.
For the final communiqué, see Canada, Department of External Affairs, *External Affairs*, Vol. 9, No. 3, March 1957, pp. 105-110.

[19] Voir/See Colombo Plan Bureau, *The Colombo Plan for Co-operative Economic Development in South and South-East Asia: Fifth Annual Report of the Consultative Committee*, Wellington, New Zealand: R.E. Owen, Government Printer, 1956.

SECTION C

BIRMANIE
BURMA

661. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT NO. 136-56 Ottawa, May 31, 1956

CONFIDENTIAL

COLOMBO PLAN — TECHNICAL ASSISTANCE — EQUIPMENT FOR THE TECHNICAL HIGH SCHOOL RANGOON, BURMA

Towards the end of last year a formal request was received from the Government of the Union of Burma for a quantity of equipment to be supplied under the Technical Co-operation Scheme for a Technical High School that is being built in Rangoon. The school was designed and constructed by United Kingdom firms and will take boys who have completed middle school and teach them for two years in Burmese, English, Algebra, Geometry, Physics, Chemistry, Technical Drafting and one of the following trade courses: building, metal work, machine shop practice, electricity, electronics, automobile or diesel engine maintenance and repair. The yearly enrollment is expected to be from 300-400 students, making the total enrollment for the two-year course 600-800 students. Space for evening classes can accommodate up to 1,000. This school is one of three projected technical institutions (there are already two in operation) designed to meet the manpower requirements of industry in the expanding Burmese economy.

The equipment requested included basic instructional tools and teaching aids in the following laboratories and shops:

1. Science (Chemistry and Physics) Laboratories
2. Surveying Instruments
3. Bricklaying
4. Carpentry and Machine woodworking shop
5. Sheet metal shop
6. Welding shop
7. Blacksmithy shop
8. Foundry shop
9. Machine shop
10. Diesel and internal combustion engine shop
11. Automobile shop
12. General workshop tools
13. Electrical shop
14. Electrical communication laboratory
15. Electrical (power) laboratory
16. Teaching aids

17. Office equipment
18. Library books.

The whole of the request was directed to Canada with the exception of Item 9 as Australia had agreed to supply two complete machine shops, one of which was destined for this school. Preliminary investigations showed that perhaps two-thirds of the request addressed to Canada would represent offshore purchase (mainly U.K.) while one-third could be obtained from Canadian sources of manufacture. The Interdepartmental Group considered this application and noted that despite preliminary indications that a large part of the equipment was not available in Canada, nevertheless the Burmese attached a very high priority to this request as it related to a co-ordinated programme for training needed technical personnel. It was also noted that as part of a recent Russian aid agreement assistance had been offered to the Burmese in building and equipping another one of the several technological institutes which the Government of Burma is anxious to establish. It was determined that the Canadian content might be raised if someone experienced in equipping similar schools in Canada was to examine the possibility of substituting nearly equivalent Canadian items for some of those listed. Advantage was taken of the assignment of Dr. A.E. Cameron, President of the Nova Scotia Technical College, to a technical education mission to Indonesia to have him visit Rangoon for a week early in February. Concurrently the application was being examined by commodity officers in the Department of Trade and Commerce to determine the price and availability of the items.

Dr. Cameron reported that there was an immediate need for hand tools and bench power tools. He felt this form of contribution from Canada would give widespread daily acknowledgment of a Canadian contribution and might set a precedent for the future use of Canadian made goods. Apparently the Burmese have been able to obtain the auto-mechanics shop equipment from the Ford Foundation and Carpenter shop equipment was now available from local sources. The Burmese were also interested in obtaining training facilities in Canada for senior students and for the training of Burmese instructors. They have since requested a Canadian expert to teach at the technical college at Insein to which graduates from this high school would go for further training.

The United Kingdom Government was approached concurrently with Dr. Cameron's visit to Rangoon to determine whether it would be prepared to consider the possibility of supplying some of the equipment items which would originate from United Kingdom manufacturing sources. The Foreign Office subsequently indicated it would be prepared to assign a reasonable priority to the provision of that portion of equipment which cannot be procured from Canadian sources. The Burmese authorities have now submitted a request to the United Kingdom for laboratory equipment, surveying and drawing equipment and machinery associated with a number of the shops.

Dr. Cameron concluded that an effective contribution could be made by Canada through the provision of small hand and bench tools for the whole school and by equipping the sheet metal, tinsmithy and foundry workshops. He pointed out that it would be necessary to supply the whole range of the small tools in order to make a worthwhile contribution even though he recognized this might include some items from non-Canadian sources of supply. Dr. Cameron found the school well designed and making good progress and felt the plans for the training of a cadre of technically qualified personnel were well founded and entitled to a high priority in Burma's economic development plans.

The remaining lists have been closely examined by a specialist in the equipping of technical schools and after certain revisions and amendments (sanctioned by the Burmese authorities in the interests of obtaining a correlated supply of equipment) it has been determined that a homogeneous and effective offer could be made by Canada of equipment valued at about $85,000. Estimates place the overall average of off-shore component at less than 40%. Certain items are of higher offshore content than others but it would not be possible to work out any substitution increasing the Canadian content that would still make a self-contained contribution. The breakdown is as follows:

Bricklaying	$ 2,936.00
Carpentry	7,300.00
Sheetmetal	13,407.00
Welding	4,304.00
Blacksmithy	15,000.00
Foundry	12,000.00
General tools	25,163.00
Office equipment	2,700.00
Contingencies	2,190.00
	$ 85,000.00

The Interdepartmental Colombo Group has considered the request in these terms and has recommended our participation. Equipment requests are normally not required to have Cabinet approval but as this particular one is of some magnitude and contains an appreciable element of off-shore purchase it has been brought forward for Cabinet consideration. This is the largest single equipment request so far received under the Technical Co-operation Scheme. It falls within the terms of the Colombo Plan Vote.

It is estimated that the United Kingdom is being asked to supply equipment valued at about $205,000; the Ford Foundation offer of an automobile shop will run to some $80,000, while the Australian offer of a machine shop may total as much as $200,000.

Recommendation

I would recommend that approval be granted for the purchase and supply of up to $85,000.00 worth of tools and equipment. Procurement where possible to be from Canadian sources of manufacture, and the total average off-shore element not to exceed 40% of the total. Funds to be made available from the technical assistance portion of the Colombo Plan Vote.[20]

L.B. PEARSON

C.D. Howe
Concurred in by the
Minister of Trade and Commerce.

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[20] Approuvé par le Cabinet le 21 juin 1956./Approved by Cabinet on June 21, 1956.

662. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT NO. 162-56 Ottawa, July 17, 1956

CONFIDENTIAL

COLOMBO PLAN — TECHNICAL ASSISTANCE — EQUIPMENT FOR THE SURVEY DEPARTMENT, GOVERNMENT OF THE UNION OF BURMA

The Government of Burma has submitted a request, under the Technical Co-operation Scheme of the Colombo Plan, for a quantity of scientific equipment to be used by its Survey Department in connection with its expansion into the fields of mapping, photogrammetry and interpretation of air photographs. This request has been endorsed by a Canadian expert, Mr. P.E. Palmer, formerly of the Department of Mines and Technical Surveys, who served for eighteen months as a Colombo Plan adviser on mapping and aerial surveys to the Burmese Survey Department.

At a recent meeting of the Inter-Departmental Group of officials on Technical Assistance Mr. Palmer emphasized the need for equipment to improve the effectiveness of Government survey activities in Burma and indicated that Burmese personnel would also benefit from the training with this equipment. There are people in Burma qualified in the use of this scientific equipment — it can therefore be utilized immediately for training purposes and for practical work in the processing of photographic material already on hand. The cost to Canada for this equipment is approximately $40,000 which Inter-Departmental Group officials do not consider excessive. Accordingly the Group has approved the Burmese request.

While requests for technical assistance equipment do not normally require the approval of Cabinet it was agreed that since this case involved an appreciable element of offshore purchases the concurrence of Cabinet should be sought before any further decision was taken. The equipment requested includes precision and photogrammetrical instruments, possibly 80-90% of which are unavailable from Canadian manufacturing sources. The Burmese Government has, however, emphasized the high priority of this equipment in its economic development plans, and since the request stems in part from the work of a Canadian expert in the field, I believe that Cabinet should grant its approval. The expenditures shall be made from Colombo Plan technical assistance funds which are already available to the Canadian Government.

Recommendations

I therefore recommend, with the concurrence of the Minister of Trade and Commerce and the Minister of Finance:

That approval be granted for the purchase and supply of up to $40,000 worth of equipment for the Burmese Survey Department as recommended by Mr. P.E. Palmer, procurement where possible to be from Canadian sources of manufacture. The necessary funds are to be made available from the technical assistance portion of the existing Colombo Plan funds.[21]

L.B. PEARSON

C.D. Howe
Concurred in by the Minister
of Trade and Commerce and
W.E. Harris
the Minister of Finance

SECTION D

CEYLAN
CEYLON

663. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT NO. 233-56 Ottawa, November 28, 1956

CONFIDENTIAL

1956-57 COLOMBO PLAN PROGRAMME FOR CEYLON

Earlier this year the Government of Ceylon, after consultation with the Canadian High Commissioner, put forward in programme form a number of requests for assistance under the Colombo Plan, to be financed from the 1956-57 Parliamentary appropriation. The total cost of the projects included in the programme amounted to approximately $2.5 million. This programme was examined in detail by the Interdepartmental Committee on the Colombo Plan and was reduced to $2.0 million, which is approximately the same size as last year's programme. This $2.0 million includes an allocation of $80 thousand for additional equipment for the Colombo airport which has already been approved by Cabinet (on August 29, 1956).[22] The projects which are now recommended to the Cabinet for approval are those described in the following paragraphs:

(1) *Continuation of the Aerial Survey.* On June 8, 1955, Cabinet approved of a proposal that a Canadian firm should be given a contract to carry out an aerial survey of Ceylon.[23] Authority was given for a contract to be let for the then estimated total cost of the survey, $500 thousand. $200 thousand was allocated out of 1955-56 funds on the understanding that Ceylon would put forward a request in 1956-57 for the remaining $300 thousand with the highest priority in their programme. It would appear that no new Cabinet authority is needed for the allocation of $300 thousand out of 1956-57 funds, but authority is needed for the allocation of a further $36 thousand which it is now estimated will be required in order to make proper use of the information provided by the survey. The additional

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[21] Approuvé par le Cabinet le 2 août 1956./Approved by Cabinet on August 2, 1956.
[22] Voir/See Document 684.
[23] Voir/See Volume 21, Document 250.

$36 thousand is required to meet the costs of technical assistance to the Ceylon authorities which can best be provided by the Canadian contractors.

(2) *Diesel Locomotives*. Canada has already supplied eight diesel locomotives to Ceylon. They now ask that a further two be provided at a cost of $370 thousand. The United States is supplying 15 diesel locomotives this year under its new aid programme. It would appear that the further provision of diesel locomotives would be a suitable Canadian project in view of the pressing need for improvement and expansion of transportation facilities in Ceylon.

(3) *Equipment for Agricultural Stations and Schools*. Canada has already provided equipment for 35 agricultural equipment shops. Additional equipment is now requested for shop and maintenance facilities for the tractor pools which are being established throughout the food growing areas in Ceylon. The Ceylon authorities originally asked for $150 thousand for this project, but $35 thousand remains unspent from the allocation under which Canada supplied maintenance equipment for the agricultural shops. The Ceylon authorities have been told that Canada would not consider an allocation for the tractor shops of more than $115 thousand, plus the carry-over of $35 thousand.

(4) *Auxiliary Power Plant for Fisheries By-Products Factory*. The most substantial project carried out by Canada in Ceylon is the Fisheries Cold Storage Plant and Fisheries By-Products Plant. It has now become clear that in order to make the most effective use of this plant it will be necessary to provide an auxiliary power supply to prevent spoilage when the electricity supply is interrupted. The Ceylon authorities consider this plant an urgent necessity. Its cost is estimated at $30 thousand.

(5) *Pest Control Units*. Ten pest control units have been supplied to Ceylon by Canada as a pilot project and are only part of the quantity originally requested. These units are now considered to have been very successful and the Ceylon authorities therefore request that we provide an additional 10 units at a cost of $27,500.

(6) *Electric Transmission Lines for Gal Oya*. The original electric transmission line financed by Canada is now nearly completed. The next stage in the development of the power transmission system for the Gal Oya valley (where the Ceylon Government is endeavouring to accommodate and provide employment for population moved from the crowded parts of the Island) consists in the provision of a number of transmission lines to serve various establishments — a paper factory, a primary substation, two municipalities, and a sub-station to feed a further transmission line to an irrigation system power distribution station. It is estimated that the costs of these additional transmission lines would be $400 thousand. This project is recommended, subject to a favourable report being received from a Canadian expert who will shortly be investigating this project.

There are three further projects which involve costs which the Ceylon Government suggests be met by the provision of flour from Canada, the sale of which would provide counterpart funds. These projects are:

(7) *Veterinary Building for University of Ceylon*. There is no adequate building in which to provide for the teaching of veterinary science in the Faculty of Agriculture in the University of Ceylon at Peradeniya. The earlier course work in veterinary science is taught at the Faculty of Medicine in Colombo. The Ceylon authorities urge that as there is a site available at Peradeniya, where they propose to establish the Science Faculty of the University of Ceylon, and as the need is most urgent for a new veterinary building, the construction costs of a veterinary building be met by counterpart funds to be provided from a gift of Canadian flour. The Ceylon authorities estimate that the total cost of the building might not be more than $41,500.

(8) *Local Costs of a Trade School.* The Ceylon Government asks that the Canadian Government provide $200 thousand worth of flour, the sale of which would provide funds for the construction of a trade school building. It is proposed to indicate to the Government of Ceylon that the Government of Canada would give sympathetic consideration to a request to provide equipment needed for this school. It is proposed to provide instruction for six major trades: building, woodwork, electrical work, metal work, motor mechanics, and printing. It is anticipated that when the school is in operation there will be about 400 full-time students and 900 part-time students, with about 450 students graduating each year. Given the need for the expansion of technical training in Ceylon, this seems a most desirable project.

(9) *Rural Road Construction.* Assistance has already been provided by Canada over the past two and one half years to the Ceylon rural road programme to the extent of $700 thousand by the provision of flour which generates counterpart funds. A check has recently been made concerning the amount of these counterpart funds that have been spent on rural road construction by the Ceylon Government, and it is evident that only a small portion remains unspent or uncommitted. A particular feature of the programme is that the Ceylon village population is encouraged to donate labour and land to the road construction. It is estimated that the value of labour and land donations has now reached $500 thousand. The road programme has been an almost entirely Ceylonese-Canadian project from its beginning. The Government of Ceylon, which is determined to push forward with this programme, hopes that it will be continued by Canada rather than by any other country. Present plans call for a further expenditure on rural roads of $400 thousand and it is clear that counterpart funds from the sale of flour are required to finance this construction which could otherwise not be undertaken by the Ceylon authorities.

It will be noted that the Ceylon Government's request for flour to generate counterpart funds to meet local costs for the three projects listed as (7)(8) and (9) above amounts to $641,500, which is slightly less than that provided last year. As Australia is the main exporter of flour to Ceylon, the Australian Government has been consulted and has indicated that it would have no objection to the supply of this flour to Ceylon.

The amount required for all of the above projects totals $2 million (including $80 thousand already approved for additional equipment for the Colombo Airport). A number of other projects have been considered by officials and discussed with the Ceylon authorities but are not recommended for inclusion in the 1956-57 programme for a variety of reasons. Projects which are not recommended include the provision of mechanical handling equipment for the Port of Colombo; equipment for a soil laboratory; the provision of duplicating sets; and the provision of milk collection vehicles and tanks.[24]

L.B. PEARSON

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[24] Approuvé par le Cabinet le 28 novembre 1956./Approved by Cabinet on November 28, 1956.

SECTION E

INDE
INDIA

SUBDIVISION I/SUB-SECTION I

AIDE
AID

664. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT NO. 74-56 Ottawa, March 21, 1956

SECRET

COLOMBO PLAN AID TO INDIA

At its meeting on October 19, 1955, Cabinet approved Canadian participation in several small projects in India.[25] At that time it was pointed out that only a relatively small amount of funds from the 1955-56 allocation was involved since it was expected that the bulk of the allocation to India for 1955-56 (and some part of 1956-57 funds) would be required if Cabinet eventually approved Canadian participation in a large hydro-electric project at Kundah, in Madras State, which was being investigated by Canadian engineers.

2. This memorandum seeks approval for Canadian participation in Kundah. Additional funds are also requested to meet the increased costs of one of the projects approved on October 19, 1955 — the aero-magnetic survey of Western Rajasthan — and the extension of this aero-magnetic survey to the Uttar Pradesh Province of India.

The Kundah Project

3. The Indian Government have requested Canadian Colombo Plan assistance for the financing of the external costs of the Kundah hydro-electric project which has been included as a high priority project in the Indian Second Five Year Plan. The power from this project will be used in Madras State, one of the most thickly settled and highly industrialized areas in India. This area is already short of power and the Kundah project offers the only source of relatively cheap power which can practicably be developed at this time to meet the rapidly increasing needs which are expected over the next few years.

4. A firm of Canadian consulting engineers has now investigated this project thoroughly and has reported that it is technically and economically sound.

5. Stage I of this project (for which India has requested assistance) will involve the installation of 145,000 kilowatts of power at an estimated total cost of $60 million. Of this amount, the external costs involving equipment which will be required from outside India and the services of a Canadian engineering company (to carry out the design and supervi-

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[25] Voir aussi/See also Volume 21, Document 253.

sion of the work) are estimated not to exceed $20 million. A precise estimate of external costs cannot be made until there has been more extensive investigation, in cooperation with Indian officials, of the practical possibilities which exist for supplying as much of the equipment as possible from Indian sources (particularly transmission lines). The Canadian engineers are also hopeful that as the project progresses it may prove possible, by altering designs or specifications, to reduce substantially the costs of equipment and materials required from outside India. The balance of the costs in excess of the Canadian contribution to the external costs will be born by India which will thus bear roughly two-thirds of the total costs for Stage I.

6. Subject to satisfactory delivery dates for the equipment it is estimated that Stage I of the project can be in operation by 1961 (one part of the installation could produce power as early as 1959).

7. If approval is granted in principle at this time for Canadian participation in financing the external costs of Kundah now estimated at a maximum of $20 million, approximately $13 million might be allocated for this out of 1955-56 funds, with the balance to be met out of funds to become available in 1956-57.

Increased Estimate for the Aero-Magnetic Survey of Rajasthan

8. At its meeting on October 19, 1955, Cabinet approved the allocation of $125,000 out of India's 1955-56 allocation to finance the external costs of an aero-magnetic survey by a Canadian company of the prospective oil bearing areas of West Rajasthan. Subsequently a Canadian Company, Spartan Air Services, were selected for this survey on the basis of this preliminary estimate although, pending negotiations on the revision of the costs and approval by Cabinet, no contract has yet actually been concluded with Spartan. A more detailed examination of the flying to be carried out and the eventual compilation of data revealed that the amount of $125,000 was not sufficient to cover the total external costs involved in an effective survey. While contract negotiations were still under way between Canadian officials and the company, the latter arranged for personnel and equipment (including an aircraft) to reach India at the end of last year and in the early part of this year. Due largely to unfortunate flying conditions the Indian Air Force were unable to complete preliminary photography (required before the aero-magnetic survey can begin) and the project was unable to start effectively on the anticipated date. As a result of these delays certain standby costs additional to the original estimate have arisen and these, together with the revised estimate described above, now bring the total cost of the project to $175,000. The Indian Government has been informed that we consider a part of these additional costs to be attributable to delays for which they were responsible and negotiations are now taking place to ascertain what part of the standby costs they should bear. In addition to the part of these standby costs which it may prove practicable for India to assume, the latter has also assumed responsibility for all other local costs involved in the project. The Canadian Government has agreed that counterpart funds totalling $50,000 (out of existing counterpart funds resulting from previous Canadian Colombo Plan grants to India) may be used by the Indians to help finance part of these local costs.

9. Approval is sought to conclude a contract with Spartan based on the final estimate of $175,000, on the understanding that Canadian expenditures within this amount may be reduced to the extent that India assumes part of the standby costs referred to in the preceding paragraph.

Extension of the Aero-Magnetic Survey to Include Some Areas in Uttar Pradesh

10. The Indian Government has arranged privately for Spartan to fly a reconnaissance of further potential oil bearing areas in the Gangetic Basin in the State of Uttar Pradesh. If

this reconnaissance (which will be carried out without expense to Canada) proves favourable India has requested Canadian assistance in financing an aero-magnetic survey of some 10,000 line miles in the area in question.

11. The external costs of this latter project are estimated at $80,000 if the same personnel and equipment now employed for the Rajasthan Survey can be used to undertake the Uttar Pradesh survey on the completion of the Rajasthan Survey this spring. The mobilization and demobilization costs for the aircraft and personnel would be spread over two projects with considerable saving in external costs of the Uttar Pradesh project. It would therefore be desirable to have an early decision in order to take advantage of these savings.

12. Assistance to India in the survey and development of its oil resources should make an important contribution to the Indian economy. Some assistance for ground surveys has been provided to India from the USSR, but it is generally conceded that improved Western techniques could be used to offset some doubtful advice now being proffered by Soviet technicians.

13. Approval is sought to conclude a further contract with Spartan to finance an extension of the aero-magnetic survey to areas in Uttar Pradesh, if the preliminary reconnaissance proves that such a survey would be desirable and effective. Any standby costs incurred before the start of the Uttar Pradesh project will be met by India.

Recommendations

14. It is recommended that:

(a) Cabinet agree in principle to participation by the Canadian Government in the Kundah project and that the Canadian Government should finance the external costs of this project, estimated at this stage not to be in excess of $20,000,000. The sum of $13,000,000 would be set aside out of 1955-56 Colombo Plan funds to meet part of these external costs and the remainder would be covered by an allocation from funds which Parliament will be asked to approve for 1956-57.

(b) Cabinet authorize the conclusion of a contract between the Canadian Government and Spartan Air Services for an aero-magnetic survey of Rajasthan at a cost of $175,000.

(c) Cabinet agree that, subject to the report of the preliminary reconnaissance being favourable, the Canadian Government should finance the external costs of an aero-magnetic survey in Uttar Pradesh at an estimated cost of $80,000, to be undertaken by Spartan Air Services immediately upon the conclusion of the aero-magnetic survey in Rajasthan.[26]

L.B. PEARSON

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[26] Approuvé par le Cabinet le 22 mars 1956./Approved by Cabinet on March 22, 1956.

665. DEA/11038-1-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

DESPATCH No. 1774 New Delhi, December 5, 1956

CONFIDENTIAL

THE COLOMBO PLAN

At this time when we are reviewing Indo-Canadian relations, it seems appropriate that Canada's Colombo Plan association with India should be summarized. This Section summarizes our past association and makes seven recommendations for changes in our present policy.

2. In the six years since the beginning of the Colombo Plan to the end of the fiscal year 1956-57, Canada will have made available a total of about $162 million for use in South and Southeast Asia, for capital assistance and technical assistance.

3. Up to September 30, 1956, about $80 million had been allocated for use in India, and it is probable that another $6 million of unallocated funds will be allocated to India shortly.

4. By next March the Canadian taxpayer will have given India under the Colombo Plan about $87 million.

5. The allocations to India have been used as follows:

PROJECTS WHICH HAVE BEEN COMPLETED OR ARE ALMOST COMPLETED:		
(1)	The Mayurakshi Power and Irrigation Project	$ 17,500,000
(2)	Bombay State Road Transportation System – trucks, buses and automotive equipment	$ 4,365,000
(3)	50 locomotive boilers supplied to the Chittaranjan Locomotive Works	$ 2,080,000
(4)	120 steam locomotives supplied to the Indian Railways	$ 21,400,000
(5)	Locust control equipment	$ 135,700
(6)	Beaver aircraft and spraying equipment	$ 460,000
PROJECTS WHICH ARE NOT YET COMPLETED:		
(7)	Umtru Hydro-Electric Scheme (due to be completed April 1, 1957)	$ 3,300,000
(8)	Diesel Generators for rural electrification	$ 3,300,000
(9)	Canada-India Atomic Reactor	$ 7,000,000
(10)	Magnetometer Aerial Surveys	$ 257,000
(11)	Kundah Hydro-Electric Project, Madras State	$ 20,000,000
	Total	$ 79,797,700

6. Canada has spent almost $3,000,000 under the Colombo Plan for technical assistance. Probably about a third of this has been spent on India. By June 30, 1956, 492 fellows and scholars from Southeast Asia had been trained or were receiving training in Canada, and of these 159 were from India. In addition, 74 Canadian experts have been sent to Southeast Asia under the Colombo Plan. Of these 37 are still in the area, 8 of them being in India.

First Recommendation

7. Canada is technically more advanced than India. We can produce equipment that India cannot. Our techniques are more advanced. Our businessmen, our engineers, are more ready than Indians are to experiment, to break with hampering traditional methods. One of our primary objectives in providing equipment should therefore be to ensure that our equipment is put to the very best use technically. We should use our bargaining position as the provider of capital aid to ensure that the projects in which we participate should, if possible, advance techniques in India. Where, for example, we know that out-of-date conservative methods are being used in India, and that modern and more efficient methods can be used for projects with which we are concerned, we should make certain that the outdated methods are discarded before we agree to provide the funds for that project. Thus, if our engineers who examined the Kundah Project had informed us that earth dams would serve the same purpose and would be less costly than masonry dams, it might have been possible to ensure that earth dams were constructed rather than masonry ones. We could also have ensured that the area to be flooded by these dams would be cleared of trees before flooding; thus making certain that the reservoir could be used with the maximum degree of efficiency at some future date both for recreation and for commercial fish production. Although the short-term and immediate objective of the Kundah Project is to provide additional hydro-electric power, the Indians should not be permitted to lose sight of long-term objectives or possibilities.

Second Recommendation

8. When in future the Indian authorities suggest hydro-electric projects to us as suitable subjects for Colombo Plan aid, we should request them to suggest two or even three such projects which our consulting engineers could examine to determine which best suited our capabilities and equipment. Our engineers could examine all the projects during one visit to India and provide reports on each which would be available to the Indian engineers concerned. Aside from the technical assistance in terms of unbiased advice, we would probably find the engineers of each project most eager to accept the advice of our consulting engineers in order that their project might be chosen as a suitable objective for our expenditures.

Third Recommendation

9. From the viewpoint of political value, probably one of the best means of providing Colombo Plan aid to this country would be to participate in the search for oil and minerals which is now going on here. The British and United States oil companies have, I understand, so far fairly effectively stifled any possible flow of technical know-how which might assist the Indian Government in its attempts to find oil. The Indian Government as a result has found it necessary to turn to Russia for the provision of such expert knowledge and for the training of Indian nationals. The more aid Canada could provide in oil exploration and development, the closer we would be to attaining two useful objectives. First, it would clearly reaffirm to Mr. Nehru that we are prepared to pursue a policy independent of the United States and the United Kingdom when the facts warrant such independence, and that the policy of the Canadian Government is not dictated by the international oil cartels.

Secondly, it would serve to reduce the dependence of the Indian experts on the advice and assistance of the Russians. It might, therefore, be useful if we were to devote as much as $10,000,000 of our Colombo Plan funds to assist the Indian Government in its oil exploration and development programme.

Fourth Recommendation

10. Another method of ensuring that the most effective use is made of our aid would be to ensure that counterpart funds of a real rather than notional nature come into existence for every dollar we spend on aid to this country. Once counterpart funds are real (actually in existence rather than book entries) it would be easier to channel them into fields where they could be used directly for developmental purposes, preferably to strengthen the private enterprise sector of the Indian economy. All new counterpart funds should, therefore, in my opinion, be placed in a special bank account of the Indian Government which would represent hard cash available for investment within the country. The funds might be advanced to the Industrial Credit and Investment Corporation of India (ICICI) and the Industrial Finance Corporation of India (IFC). They would then be available to private enterprise for developmental purposes. The Indian Government might not welcome this proposal, but it might find it difficult not to agree as it would receive interest on such funds and as it has itself in the past made funds available to both of these Corporations.

Fifth Recommendation

11. Should we participate in future in any project similar, for example, to the recent magnetometer survey of Rajasthan, where the operating firm is a Canadian contractor, we should not attempt to reach a detailed agreement with the Indian Government on the actual operation. The intergovernmental agreement should be a simple, brief one, but its coming into effect should be made dependent on the conclusion of a detailed contract, to be approved by us, between the Indian Government and a designated Canadian company.

Sixth Recommendation

12. One of the problems which the Indian Government encounters when laying its long-term (five-year) plans is that of assessing with a reasonable degree of assurance what funds will be available over the five year period. This problem is less apparent where the funds required are Indian rupees, for the Indian Government can, to a large degree, predict the extent to which these will be available. However, its predictions as to the availability of foreign exchange must of necessity be less accurate. India's requirements of foreign exchange are rising due to its heavy capital investment programme. Within certain limits it can anticipate what its income from exports over five years will be. It cannot, however, estimate with any great degree of accuracy the amount of foreign exchange, or alternatively the value of the goods in place of foreign exchange, which will become available as a result of external aid or loans.

13. We in Canada have declared our intention to continue capital aid up to 1961. We have produced a formula in Ottawa whereby Parliamentary appropriations during any one year are not lost as the result of the fiscal year having run out. We have not, however, produced a system as a result of which we can safely tell the Indian Government that Parliament two years hence will be prepared to vote capital aid funds for Colombo Plan countries at not less than the present level. Bearing in mind the desirability here, for long-term planning purposes, of a definite indication of the funds which will become available over the next five years, would it be possible to consider putting up a request for an appropriation during the next session of Parliament for an amount equivalent to the amount of aid which we now anticipate we will give up to 1961? We could then assure Colombo Plan

countries, including India, that the funds would be available for spending at a given amount each year over the period. Such action, especially if the United States were to follow our example, would greatly assist the Indians with their financial problems and permit the planners to plan more accurately and with greater confidence.

Seventh Recommendation

14. I believe it would be wise for Canada to switch from grant aid to India to the provision of a line of credit. The provision of credits would certainly be a method more acceptable to the Indians of providing aid to this country than is the provision of grants. Credit could be provided at a relatively small long-term net expense to ourselves, especially as this country will, in all probability, be in a position to start repaying drawings on a line of credit within eight or ten years. A line of credit might be extended free of interest for the period until repayment by instalments is due to start. A line of credit would be useful to India only if some sort of assurance can be obtained from the World Bank that the loans which it proposes to provide to India will not be reduced as a result. In addition to helping India, any line of credit which we might provide could be restricted to the purchase of products produced in Canada, thereby contributing to Canada's continued full employment during the period of drawing on it.

15. My specific recommendation is that Canada as soon as possible grant India a line of credit of $300 million at, say, 4 1/2% interest on the amounts drawn under the credit. The whole of the credit would be repaid in 20 annual instalments beginning ten years from now. The interest for the first ten years (1957-1967) would be paid out of the Colombo Plan vote and charged to the allocation for India. Thus, if India were by, say, 1972, to have drawn down the whole of the credit, the whole of the allocation for grants normally made to India under the Colombo Plan vote would be used to pay the interest on the credit (4 1/2% on $300 million = $13.5 million). There would be no further grant aid from Canada to India under the Colombo Plan. Up to then part of Canada's aid to India would be in the form of grants and part in the form of interest on that portion of the line of credit which is drawn down.

16. From the information given in my immediately succeeding despatch† on Indo-Canadian trade relations it would seem highly probable that if such a line of credit were established early in 1957 India might almost immediately make the following contracts with Canadian firms:

Diesel Locomotives for delivery during 1957 to 1961 inclusive	$ 50,000,000
Otter aircraft	$ 20,000,000
Electrolytic cells and accessories	$ 5,000,000
Total	$ 75,000,000

17. On all the items listed above, Canadian prices are competitive in the Indian market. The Indo-Canadian agreement establishing the line of credit might indeed provide that it is to be used only for goods of this kind in which Canada is competitive in the Indian Market. (The goods might be listed in an annex to the agreement and provision made for the annex to be amended at any time by agreement between the two governments). Such a stipulation would serve the interests of both India and Canada. It would serve India's interests because India would get more goods from Canada out of the credit if the prices of the goods which it purchases from Canada are competitive. It would serve Canada's interests since the

credit would be used to promote the sales to India of products in which there might be a continuing market after the credit had been exhausted.

JOHN TEAKLES
for High Commissioner

(The material in this despatch is included in Part II of the Commentary for Mr. Nehru's visit to Ottawa, which has been sent to you under cover of our letter No. 1732 of December 5.)[27]

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666. PCO/I-15

Note du secrétaire du Cabinet
pour le secrétaire adjoint du Cabinet

Memorandum from Secretary to Cabinet
to Assistant Secretary to Cabinet

SECRET Ottawa, December 20, 1956

RE: DISCUSSION WITH ESCOTT REID ON LOAN TO INDIA

I am sorry that you did not get to come along to the meeting with Taylor this morning on Escott Reid's suggestion concerning a loan to India. Unfortunately the calling of the meeting got confused. Léger told me he would do it, but he did not do it very systematically. Consequently there were present Taylor, Plumptre, Ritchie, Reid, myself, and later Rasminsky.

Reid put up the general political case for giving India more assistance in its second five-year plan than was possible under the Colombo Plan and for singling India out if necessary in doing more than for others. He then proposed that we should make a loan to them to cover some significant fraction of the deficit of perhaps $1 billion in their foreign exchange requirements during the second five-year plan. There was some considerable discussion of what these requirements were, with Rasminsky arguing that they were significantly under $1 1/2 billion. Without more information the rest of us could not take part in this.

I had told Reid last night that I thought he could not expect any action within the next six months on the matter and that I felt he would be wise to put his case in longer run terms, which he was doing this morning.

He did not get very much encouragement from Taylor or Rasminsky or Plumptre, nor indeed very much support from Ritchie. Rasminsky pointed out that if some country like Canada loaned them money for particular purposes that might well result in the International Bank lending them less than the figure of something over $400 million that they could probably expect from the Bank otherwise, during the second five-year plan. Several of us opined that they could not get two or three or four times as much by way of loan than they could by way of additional grants under the Colombo Plan without about equal difficulties, and we doubted whether it would really be in India's interest to get, say, twice as much in the way of loan as they might otherwise get in the form of free grants, particularly if a reduction in the International Bank loan was taken into account.

I suggested that the real issue appeared to me to be whether some group of western countries, of which the United States would have to be the leader and Canada might be one, should loan quite substantial sums to India by preference over other countries for more or less political reasons on non-commercial terms, in order to ensure that this second five-year plan was a success. In this case the loans from the group as a whole would have to be large enough to look after India's external requirements during this period in so far as those were not already otherwise covered or could be covered from resources inside, and without loans from the International Bank. The others were inclined to feel that this was the real issue and Reid seemed to recognize that this was the case.

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[27] Voir/See Document 691.

I said that it seemed to me that one could seriously study such a proposal, although I was not familiar enough with the facts and issues to have an opinion as to whether we should be prepared to join in such a consortium. In any case, the real issue in regard to such a joint operation would have to be decided by the United States from whom the bulk of the money would need to come. One could make some argument for the United States as well as ourselves changing the approach to India in, say, 1958 or 1959 from economic aid on a grant basis to a major lending operation appropriate to the new status of India and the stage of India's development.

The argument rested here without our trying to settle any particular attitude to be taken toward Pillai when he puts forward suggestions along these lines at the meeting on Saturday.[28]

R.B. B[RYCE]

SUBDIVISION II/SUB-SECTION II

RÉACTEUR DE RECHERCHE NRX
NRX RESEARCH REACTOR

667. DEA/11038-1-13-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH E-1737 Ottawa, December 28, 1955

SECRET

Similar Letters to New Delhi No. 970, London No. 1802.

CANADA — INDIA REACTOR PROJECT

I am attaching to this letter a copy† of the draft text which officials in Ottawa consider might serve as a basis for negotiating with the Indian Government the formal agreement for the Canada-India reactor project. Many parts of this text were discussed with Dr. Bhabha when he was in Ottawa and the general financial arrangements have already been established in the exchange of letters between Dr. Bhabha and the Assistant Deputy Minister of Finance.

2. Section 10 of this draft text which concerns the provision of fuel was not discussed with Dr. Bhabha, who as you are aware, rejected the Canadian suggestion that fuel should

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[28] Note marginale :/Marginal note:
Seen and read with interest. W.R. M[artin]

be provided on a lease basis. You are familiar with the discussions which took place between the Minister and Dr. Bhabha in New Delhi last month. The formula suggested in Section 10 of the draft text has been approved by Cabinet.

3. A draft agreement along the lines of the attached text is likely to be presented to the Indians in the near future. Since the formal inauguration of the project is scheduled to take place in early February, it is obviously highly desirable that formal agreement or near agreement should have been reached before that time. However, before presenting this text to India, officials in Ottawa think it may be preferable to wait until there has been a further opportunity for Canada, the United States and the United Kingdom to discuss more thoroughly the problems involved in the control of fissile materials in preparation for the forthcoming twelve power meeting. It is, therefore, our intention to withhold presenting this agreement for the moment to the Indian Government unless it appears that no effective and relevant discussions are likely to materialize in the next few weeks. At the least, we would, of course, inform the United States and the United Kingdom Governments of how we were proposing to deal with the fuel issue but we are not entirely sure at what stage we should speak to them. We would welcome your comments on this aspect.

4. In the meantime, however, I should welcome your comments in connection with this text, bearing in mind that the formula concerning the provision of fuel has been approved by Cabinet. The other parts of the text have also been initially reviewed by other interested Departments. However, it is possible that some additions or alterations may be suggested before the final text is prepared for presentation to India.

5. Similar letters, together with a copy of the draft text of the agreement, have been sent to our High Commissioners in New Delhi and London.

A.E. RITCHIE
for Secretary of State
for External Affairs

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668. DEA/11038-1-13-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Inde

Secretary of State for External Affairs
to High Commissioner in India

TELEGRAM E-20 Ottawa, January 11, 1956

SECRET. IMMEDIATE.
Reference: Your telegram No. 27 of January 9.[29]
Repeat London E-45; Washington E-43.

CANADA-INDIA REACTOR PROJECT

We have noted your comments concerning the draft intergovernmental agreement and the following are our views in the order in which you have put your comments forward in your telegram No. 27:

(a) We would prefer to retain the word "provide" in paragraph one. We consider this along with reference to "contribution under Colombo Plan" accurately describes our role.

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[29] Non retrouvé./Not located.

The extent to which this project involves a gift from Canada seems to be clear from the agreement as a whole. We would not be able to use the word "give" without a full explanation at this point of India's responsibilities including local costs, freight and insurance etc. which would hopelessly complicate this paragraph. What might be said in a public press release is another matter and it might be appropriate to refer therein to reactor as a gift if Indians agreeable.

(b) Paragraphs four and five have been carefully worked out to outline the general framework for the division of costs some parts of which are elaborated in the annex. We would prefer to retain these paragraphs as worded and accordingly not make the addition to paragraph one which you have suggested.

(c) We accept your suggestion regarding paragraph two however we would prefer to see the word "accredited" retained. Surely the Indians would also wish some qualification of this nature to be in the agreement otherwise the reactor theoretically would be open to itinerant scientists not necessarily accredited by the Government of India or their own government.

(d) We accept your suggestion concerning paragraph three.

(e) As explained above we would prefer to retain paragraphs four, five and six as now worded.

(f) On reflection it is apparent that training may be offered to India under various schemes including the two you mention. We have revised text so that we do *not* specify how training will be sponsored. We agree to the deletion of the word "operating". "Practicable" should be retained since limitation of some facilities in Canada necessitates a qualification of this nature.

(g) We accept your suggestion concerning paragraph eight.

(h) With regard to paragraph nine unless there is some new development during Grey's visit to Bombay the wording of our draft should be retained. We consider main agreement should make it clear that general supervisory authority will rest with Canadian engineers and contractors. The relations between Shawinigan Engineering and whatever Canadian contractor may eventually be selected will be set out in the contract and it may or may not be possible to reflect in the annex the division of responsibility between the Canadian engineers and Canadian contractor. You will note from the final text which is quoted below that paragraph nine is a slightly revised version of the one which was included in the draft sent to you with our despatch E-970.

2. The final draft text including some of your suggestions is quoted below. It should be transmitted to the Indian Government as soon as possible. As explained in our telegram E-10 of January 6† we are anxious to have the preliminary reaction of the Indian Government before Grey undertakes his negotiations in Bombay. Although we should not convey this to the Indians we also propose to inform the U.S. and U.K. governments of the substance of our proposal as soon as we have a favourable reaction from India.

3. In any discussions regarding the section concerning the provision of fuel you should emphasize the great efforts which we have made to develop a compromise which would not in any way have the effect of delaying the implementation of this project.

4. The annex to this main agreement will be based on the original exchange of letters between Plumptre and Bhabha although there will be some revision of details during Grey's visit. The annex should be a slightly more flexible document than the intergovernmental agreement since it may be necessary to amend it from time to time. We have taken note of this by adding a sentence to paragraph 6 of the agreement.

5. The question which you raised concerning exemption from taxation might be covered in the annex. The annex should also make some reference to customs facilitation for equipment from Canada.

6. There are questions of form concerning this agreement which will have to be settled before signature, as for example the clauses relating to its coming into effect, etc.

7. You may wish to sound out the Indian views about the desirability of registering this agreement with the United Nations. We assume you are also giving consideration to the preparation of a press release which would ensure an effective public presentation of this project.

8. The question of an adviser for Grey will be dealt with in a separate telegram.†

9. Final draft text of the Intergovernmental Agreement for the Canada-India Reactor Project. Text begins.

(1) As part of its contribution under the Colombo Plan, the Government of Canada will provide an NRX atomic research and experimental reactor to the Government of India.

(2) This reactor will be used by Indian scientists and accredited foreign scientists including those from other Colombo Plan countries in South and Southeast Asia.

(3) The Government of India will ensure that the reactor and any products resulting from its use will be employed for peaceful purposes only.

(4) The contribution of the Government of Canada will comprise the external costs of designing the reactor, the reactor hall, all auxiliary service within the reactor hall and the specific auxiliary equipment indicated in the annex. It will also include the external costs of manufacturing or procuring the reactor and the auxiliary equipment indicated in the annex, together with the external costs of the supervision of their installation and erection.

(5) The Government of India will provide the site for the reactor. It will also be responsible for the foundation work, for constructing the buildings and for supplying specific auxiliary equipment set out in the annex. The Government of India will provide all mechanical, electrical, administrative and other services and facilities required at the site. In accordance with normal Colombo Plan practice the Government of India will be responsible for providing local labour and materials as required. The Government of India, following past practices in relation to Colombo Plan shipments from Canada, will also be responsible for freight charges and insurance or replacement in the event of loss of any equipment and materials destined for this project.

(6) The distribution of the various costs between Canada and India will be in accordance with the understanding reached between representatives of the two governments, which is recorded in the annex. It is recognized that as this project progresses it may be necessary by agreement between the two governments to amend the annex on certain points of detail.

(7) The Government of Canada will provide such training as is practicable for the staff of this reactor.

(8) The Government of Canada will provide at the site during the construction period and for the initial period of operation such technical experts as may be required from Canada.

(9) In order to ensure that all phases of the project are effectively coordinated, the Canadian engineering and supervisory authorities responsible for designing and installing the reactor will also supervise all other aspects of the work and will be responsible for the inspection and acceptance of all work undertaken at the site including the erection of the reactor and the construction of the reactor hall. All related auxiliary equipment, and its installation, shall be subject also to inspection and acceptance by these authorities.

(10) It is the intention of both governments that the fuel elements will be secured from Canada. Arrangements for the provision of the fuel elements to India from Canada will be agreed upon by the two governments before the reactor is ready to operate; if an international agency acceptable to both governments has come into being or is in prospect at that time, the terms of such agreement will be in keeping with the principles of that agency. Text ends.

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669. DEA/11038-1-13-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 80 Washington, January 17, 1956

SECRET

Reference: Your E43 of Jan 11/56 addressed New Delhi E20.

CANADA-INDIA REACTOR PROJECT

We note from your telegram under reference that the High Commissioner in New Delhi will be transmitting to the Indian Government the draft text of the agreement on the Canada-India reactor. We are impressed by the close relation between the Indian agreement and the problem of controls in the Agency. In order that the High Commissioner should have the fullest possible understanding of the relationship we suggest, we are venturing to offer our views of this relationship with the idea that they might in some form be sent to New Delhi.

2. Further study of Bhabha's aide mémoire of November 5 in relation to your own ideas of control, as set out in letter DL41 of January 11,[30] lead us to believe that the Canadian and Indian philosophies on control are similar in essentials. Could it then be suggested to the Indian authorities that there was this meeting of minds and that their acceptance of paragraph 10 of your draft text could be made in the light of the interest which the Indian and Canadian Governments share in securing the maximum practicable controls as a means of avoiding the spread of the manufacture of atomic weapons?

3. It would not appear to us to be necessary that anything like the details of Canadian thinking on controls be given to the Indians and there would, of course, be definite objections to doing so at this stage. We would suggest, however, that the Indians should understand that our approach is similar to theirs, and it might be underlined that acceptance of such ideas would involve agreement particularly with the Three Great Powers now in the atomic business, *including* the Soviet Union.

4. It seems to us to be of great importance that the Indian authorities should regard their own role in relation to the Agency and its control aspects as a contribution to peace and we might wisely err on the side of exaggerating Indian initiative in relation to universal and non-discriminatory controls.

5. Two advantages might flow from such a *rapprochement* and state of mind:

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[30] Voir/See Document 423.

(a) that the Indians would be more ready to accept your draft agreement because of the context in which it was set; and

(b) that the Indian delegation at the Washington meeting on February 27 could play an important part in advancing the ideas on controls which we seem to share with them.

6. From what we know at present there may be real difficulties in securing agreement with the Three Great Powers on the kind of controls you have in mind and an active support of this philosophy by the Indians would, it seems to us, be of great advantage. We would underline, however, the importance of having the Indians take such an attitude not so much in support of the Canadian one, as derived from their own original thinking.

7. An incidental but real advantage would be if the conversations which the High Commissioner's office have with Indian authorities produce some evidence of Indian thinking in respect of the Agency and, in particular, the control aspect.

[A.D.P.] HEENEY

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670. DEA/11038-1-13-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 50 New Delhi, January 18, 1956

SECRET
Reference: Ourtel 42 Jan 17.†

CANADA-INDIA REACTOR PROJECT

I gave Nehru the draft agreement January 18. He read through it carefully but made no comment except to say that I would understand that on a matter of this kind he would want to consult Bhabha that he would do so immediately and that he would then get in touch with me. Contrary to my expectations the Secretary General apparently had not told him that I had left him copies of the agreement on 16th and that he had already sent copies to Bhabha. I told Nehru this.

2. I spoke along the lines of your telegram and in particular I said that in Section 10 we had made great efforts to develop a compromise which would not in any way have the effect of delaying the implementation of the project.

3. I concluded by saying I was sorry that it had not been possible for a Canadian Cabinet minister to come to Bombay for a ceremony in February in connection with the inauguration of the project. Nehru said that Bhabha had told him that and that his understanding was that the ceremony would not take place until the autumn. He asked me when I thought a Canadian Cabinet minister could be present. I said he could come either on the way to the Colombo Plan meeting in New Zealand or on the way back and that this would presumably be at the beginning or end of October.

5. In reply to your telegram 43 of January 17 I agree it is not necessary for Grey to go to Delhi. I have given McGaughey the instruction in paragraph 2 of your telegram.[31]

[E.] REID

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671. DEA/11038-1-13-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 51 New Delhi, January 20, 1956

SECRET. MOST IMMEDIATE.
Reference: My telegram 50 Jan 19/56.

CIR PROJECT

I have learned informally that Bhabha will recommend to Nehru that Nehru suggest the addition at the end of the first sentence of paragraph ten of the draft agreement of the following words "or be manufactured in India". Grateful if you could let me know immediately what I should say if Nehru does put this proposal forward.

[E.] REID

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672. DEA/11038-1-13-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Inde

Secretary of State for External Affairs
to High Commissioner in India

TELEGRAM E-51 Ottawa, January 20, 1956

SECRET. IMMEDIATE.
Reference: Your telegram 51 of January 20.
Repeat London E-96, Washington E92.

CIR PROJECT

Addition of phrase "or be manufactured in India" at the end of first sentence of paragraph 10 would have the effect of allowing India to process fuel from their own uranium if available, from uranium from Canada or possibly from a third source. It would not be our intention to intimate in any way that we are denying the right of India to provide fuel for this reactor from its own sources but we would expect the fuel to be supplied from Canada if India is not in a position to manufacture fuel elements when reactor is ready to operate.

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[31] Notes marginales :/Marginal Notes:
Mr. Ritchie: Is Escott taking a bit too much on himself [by] inviting a Canadian Cabinet minister's attendance to Colombo Plan meetings? Should we send a brief memo to Mr. Pearson? [O.G. Stoner]
Mr. Stoner: A short memo to LBP after we have Bhabha's reaction would be appropriate, including reference to possible attendance by one Canadian Cab[inet] min[ister] or another. A.E. R[itchie]

We would be prepared to accept this revision on the understanding that the words "or the uranium for such fuel elements" be inserted after the words "fuel elements" in the first part of sentence 2 of paragraph 10.

2. The revision which we have suggested to sentence 2 should make it clear that agreement between the two governments and the principle of any effective system of control which may be in force would be applicable to either the provision of fuel elements or the supply of uranium to be fabricated into fuel elements in India. We are of course skeptical that India will be in a position in the foreseeable future to carry out their own fabrication of the fuel elements but we appreciate the prestige nature of Bhabha's amendment. In view of his amendment you should also suggest to the Indians that we feel the words "to India from Canada" should be deleted from sentence 2 of paragraph 10. However it is possible that they may object to the deletion of these words since it could be interpreted to mean that India would require Canada's agreement for any arrangements concerning fuel for the reactor regardless of whether the fuel elements or the uranium came from Canada. We have a strong preference for the deletion of the words "to India from Canada" but we would be prepared to reconsider if Bhabha presses strongly for their retention and if he is prepared to accept immediately the remainder of paragraph 10 as now revised.

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673. DEA/11038-1-13-40

Le président d'Énergie atomique du Canada Ltée.
au chef de la Direction économique

President, Atomic Energy of Canada Limited,
to Head, Economic Division

SECRET Ottawa, January 23, 1956

Dear Mr. Ritchie,

CANADA-INDIA REACTOR PROJECT AND THE CONTROL PROBLEM

I have your letter of January 19th† enclosing a copy of telegram no. 80 of January 17th from our ambassador in Washington in which it is suggested that our High Commissioner in India might initiate discussions with India on the question of the control system for the proposed International Agency.

I consider it would be most unwise to initiate such discussions at this time.[32] The language we have used in Section 10 of the Canada-India Reactor Agreement, as it affects the relationship of the agreement to the International Agency, is designed to obtain the agreement of the Government of India to the principle of international control[33] without specifying the nature and scope of that control. It was quite clear from my several discussions with Bhabha that our ideas on this subject are not similar despite the ambassador's impression that such a similarity does, in fact, exist. I have in mind, particularly, the possible control of transactions in natural uranium. Bhabha has expressed the view repeatedly that it will not be possible or practical to subject such transactions to control. If any attempt is made at this time to explore with India the problem of control, this would invariably lead to some discussion of what is intended by the language of Section 10 of the Canada-India Agreement. Such a discussion might very well complicate and even prejudice the successful completion of the negotiations.

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[32] Note marginale :/Marginal Note:
We all seem agreed. A.E. Ritchie

[33] Note marginale :/Marginal Note:
? [A.E. Ritchie]

I will be glad to enlarge on the opinion I have expressed above if you will phone me.

Yours sincerely,

W.F. BENNETT

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674. DEA/11038-1-13-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 76 New Delhi, January 31, 1956

SECRET. IMMEDIATE.

Reference: My immediately preceding telegram.†

CIR PROJECT

Following is the text of letter from Secretary General dated January 31.

"You gave me on January 16 a copy of the final draft of the agreement for the atomic reactor project prepared by the Canadian Government. I sent the copy at once to Dr. Bhabha and invited his comments.

Bhabha has now replied to say that the draft agreement is acceptable to the Department of Atomic Energy subject to the following changes:

(a) Paragraph 2 should be replaced to read "2. The Government of India subject to adequate security clearance will make the experimental facilities of the reactor available to accredited scientists from Colombo Plan countries in South and Southeast Asia and from other countries at its discretion."

(b) The last sentence of paragraph 5 should be changed to read "The Government of India following past practices in relation to Colombo Plan shipments from Canada will arrange for shipment and bear freight charges and cost of insurance of any equipment and materials destined for this project."

(c) The words "reactor hall" in the document will be replaced by "rotunda" wherever they appear.

(d) In paragraph 10 of the draft the words "either manufactured in India or" should be inserted between the words "will be" and "secured" in the second line. Accordingly the first sentence of paragraph 10 will read "It is the intention of both governments that the fuel elements will be either manufactured in India or secured from Canada."

With regard to the proposed substitution of the words "or the uranium for such fuel elements" for "to India from Canada" in the second sentence of paragraph 10 Bhabha comments as follows "The alteration proposed by Mr. Escott Reid is based on a misunderstanding. The uranium for the fuel elements which will be manufactured in India will be provided by ourselves from our own sources. They are not therefore on the same footing as the fuel elements that may be provided from Canada nor can we envisage a provision in the International Atomic Energy Agency which would stop any nation from developing its own fuel elements or attempt to control or check this production unless such checks are applied uniformly to all countries. There is very little chance of such a restriction being accepted by the US, the Soviet Union, or the UK not to mention Canada and the attempt to impose it on some nations and not others will either seriously cripple the Agency or prevent its coming into existence".

[E.] REID

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675. DEA/11038-1-13-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Inde

Secretary of State for External Affairs
to High Commissioner in India

TELEGRAM E-101 Ottawa, February 6, 1956

SECRET. IMMEDIATE.
Reference: Your telegrams Nos. 75† and 76 of January 31st.
Repeat London E-196; Washington E-215.

CIR PROJECT

Please inform Dr. Bhabha as soon as possible that the following are our comments in connection with the changes to the draft agreement suggested by him as reported in your telegram No. 76.

(a) We would prefer to retain the wording of paragraph 2 which is the same general formula agreed upon by the two Prime Ministers when the Canadian offer was accepted earlier in the year. You should emphasize that we fully appreciate that any use of the facilities at the reactor will be subject to adequate security clearance by the Government of India and that such use must of necessity be at the discretion of the Indian Government. We assume that the word "accredited" conveyed this and you may inform Dr. Bhabha that this is how we interpreted our suggested paragraph 2. On the other hand you should also emphasize that from the beginning we have considered this project in the Colombo Plan context and we hope that the Indian Government will see its way clear to provide such technical assistance to other Colombo Plan countries as may prove practicable. It is our view that the language suggested for paragraph 2 by Dr. Bhabha overemphasizes the security aspects of the NRX reactor (although we fully appreciate that India in practice will exercise, as we do in Canada, strict security arrangements for experimental work carried out on the reactor) and may prove offensive to other Asian countries in the Colombo Plan. Our suggested wording seems to us to provide the Indians with all the safeguards they require without being objectionable to any of the other countries in the area. We are not clear whether the Indian Government follows the same practice as the Canadian Government and acts as its own insurer. If this is the case you should insist that replacement in the event of loss should be retained in paragraph 5. If, on the other hand, the Indian Government proposes to insure this equipment we will accept Dr. Bhabha's revision of the last sentence of paragraph 5 with the following minor change — "the Government of India, following past practices in relation to Colombo Plan shipments from Canada, will arrange for shipment and bear freight charges and will arrange for and assume the cost of insurance on any equipment and materials destined for this project."

(c) We agree with Dr. Bhabha's suggestion to replace the words "reactor hall" with "rotunda".

(d) With respect to paragraph 10 you should inform Dr. Bhabha that the Canadian Government recognizes fully India's right to supply this reactor with fuel produced and manufactured in India. It was not the intention to suggest by our wording that the International Agency might have the effect of stopping any nation from developing its own fuel elements. At the same time you should remind Dr. Bhabha of his earlier understanding with Mr. Bennett that India intended to secure the fuel from Canada unless it was available from its own resources. The following redraft of paragraph 10 in our view recognizes both of these points. "It is the intention of both governments that the fuel elements for the initial fuel charge and for the continuing requirements of the reactor will be supplied from Canada unless India is in a position to provide them from sources within India. Arrangements for the provision of the fuel elements to India from Canada will be agreed upon by the two governments before the reactor is ready to operate; if an International Agency acceptable to both governments has come into being or is in prospect at that time, the terms of such agreement will be in keeping with the principles of that agency."

2. Please tell Dr. Bhabha that we hope the agreement we have now suggested can be accepted by him without further amendments. You may wish to point out that we have shown good faith by getting the engineering and construction phases of this project under way before the formal agreement was signed. It is now obviously in the interests of both governments to conclude this formal agreement as soon as possible.

3. Your suggested annex is now being reviewed in Ottawa and the three documents referred to in paragraph 1 of your telegram No. 81 of February 1st† have just been received from Bennett. We hope to send you our comments on this annex within the next few days.

4. No official decision has yet been taken concerning the desirability of registering this agreement with the United Nations. We appreciate the points you made in favour of registering it. On the other hand registration itself does not give any wide publicity to an agreement since this is a routine procedure. Atomic Energy of Canada see certain difficulties in establishing a precedent at this stage since registration of this agreement would obligate us to register any subsequent agreements for co-operation in the field of atomic energy.

5. We agree that an effective press release should be issued at the time of signature of this agreement. Grey has forwarded a draft press release to Bennett which we assume may form the basis of your discussions with the Indian authorities. We would appreciate clarification on this point.

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676. DEA/11038-1-13-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 125 New Delhi, February 18, 1956

SECRET. IMMEDIATE.

Reference: My immediately preceding telegram.†

CIR PROJECT — MAIN AGREEMENT

Following is text of Bhabha's letter of February 14.

"This refers to your letter of February 8, 1956.

Paragraph 1

2. It appears from paragraphs 6 and 8 of your letter that we are both quite agreed on the substance of paragraph 2 of the draft agreement. We would however still like to urge on you the desirability of accepting our draft of this paragraph as given in paragraph 4 of your letter.

3. The word "accredited" does not convey what you say in paragraph 6. In our opinion it conveys that the scientists from a foreign country whom we would consider for admission would have to be sponsored by their governments which would therefore have to take the responsibility for their good behaviour competence etc. This however is a necessary but not a sufficient condition. The country concerned may not be fully aware of the technical requirements required for the job and it would clearly hinder not only our work but the work done by scientists of other Colombo Plan countries if someone not fully suited or equipped were to be admitted to work with the reactor. The final decision in this matter must therefore rest with the Government of India which has the responsibility of seeing that the reactor is operated properly.

4. The reactor is a high powered research tool but at the same time a very delicate one. Despite all safety devices accidents can happen which may put it out of commission for many months and entail a very considerable expenditure on repairs in addition to the danger that may be caused to personnel working with it. As you are aware two such accidents have occurred to the NRX reactor at Chalk River despite all the experience that your own workers have in dealing with it. We cannot therefore be too careful in dealing with the reactor and in the physical security arrangements relating to it. It appears from the first sentence in paragraph 8 of your letter that you agree with our views and we would therefore urge that this circumstance be expressed plainly in the agreement. The phrase "subject to adequate security clearance" was inserted after a discussion with Mr. Grey who fully agreed that as India would be responsible for the operation of the reactor adequate security clearance for scientists admitted to work with the reactor was very necessary and the responsibility for it should be that of the Government of India. I am sure no country conversant with the scientific facts of the situation would take exception to our draft of this clause.

5. We fully appreciate the fact that Canada considered this project in the context of the Colombo Plan and there is every intention on our part to fulfil both in the letter and in the spirit our commitment to make the research facilities of the reactor available to scientists from Colombo Plan countries subject to adequate security clearance. Indeed we propose to admit scientists from neighbouring countries for work with our swimming pool reactor which will be completed in May this year even though there is no commitment on our part with any other country to do so. As far as the Canadian-Indian reactor is concerned we ourselves proposed admitting not only scientists from Colombo Plan countries but from countries farther afield as well. But this last must clearly be at our discretion. The original wording of paragraph 2 is clearly incorrect in that it commits the Government of India to making the facilities of the reactor available to accredited foreign scientists without specifying the countries at all except that the list should include the Colombo Plan countries. You will agree that this formulation is incorrect because it is too wide and does not correspond to what your government or ours has in mind.

6. Due to the reasons given above we would urge on you to consider accepting our draft of paragraph 2 as given in paragraph 4 of your letter.

Paragraph 5

7. The draft of this paragraph as given by you in paragraph 11 namely "The Government of India following past practices in relation to Colombo Plan shipments from Canada will arrange for shipment and bear freight charges and will arrange for and assume the cost of insurance on any equipment and materials destined for the project." is acceptable to us. We did not wish to include the words "replacement in the event of loss" because the Government of India may not be in a position to replace some of the equipment if it is lost as for example the calandria and would have to depend on Canada to do this. It is clear however that we bear the replacement cost involved in such an accident and this is what the clause as redrafted above now conveys.

Paragraph 10

8. We are also prepared to accept the redraft of this paragraph as given in paragraph 17 of your letter provided the phrase "unless India is in a position to provide" is replaced by the phrase "save to the extent India provides".

9. The object of this alteration is to provide for the contingency that even if India is in a position to provide the uranium fuel elements from sources within India it may nevertheless for various reasons prefer to get some from Canada provided mutually satisfactory terms can be arranged. I am sure your government would also like to consider such a possibility.

10. We therefore propose that paragraph 10 be redrafted as follows "It is the intention of both governments that the full elements for the initial fuel charge and for the continuing requirements of the reactor will be supplied from Canada save to the extent India provides them from sources within India and arrangements for the provision of the fuel elements to India from Canada will be agreed upon by the two governments before the reactor is ready to operate. If an international agency acceptable to both governments has come into being or is in prospect at that time the terms of such agreement will be in keeping with the principles of that agency".

11. If the proposals made above are acceptable to your government the agreement could be signed before my departure for Washington on the 23 of this month."

[E.] REID

677. DEA/11038-1-13-40

Extrait d'un télégramme du haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

Extract from Telegram from High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 141 New Delhi, February 24, 1956

CONFIDENTIAL. IMPORTANT.
Reference: Your tel E148 Feb 21.†

CIR

Your telegram arrived February 23. And I immediately telephoned Bhabha who was leaving that day for Washington.

2. In paragraph 2 of the main agreement I suggested to him that the clause "foreign scientists approved by the Indian Government" be used in place of "accredited foreign scientist". He agreed. He agreed to the addition at the end of paragraph 5 of the words "or will bear the cost of replacement in the event of loss". He was glad to learn of your concurrence in his amendment to paragraph 10. He accepts the new paragraph set forth in my telegram 110 of February 13.†

3. Since it is scarcely fair to Bhabha to hold him to the precise wording of provisions agreed to over the telephone I suggest you ask the Embassy in Washington to give him a clean text of the agreement.

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678. DEA/11038-1-13-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Inde

Secretary of State for External Affairs
to High Commissioner in India

TELEGRAM E-182 Ottawa, March 5, 1956

CONFIDENTIAL. IMMEDIATE.
Reference: Our telegram E-171 of February 29.†
Repeat Washington E-401.

CIR PROJECT

We have shown February 27 draft to Bhabha in Washington who has suggested following revision of Article II: Text Begins:

Article II

The Government of India will make the facilities of the reactor available to foreign scientists approved by the Government of India, including those from other Colombo Plan countries in South and Southeast Asia.

Text Ends.

2. We have told Bhabha we accept his revision. Will you please make change in text of February 27 draft and pass it to the Indian authorities. Bhabha has asked this be done so that they could "put the agreement into the mill". Bhabha was not in a position to make comments on annex since he did not have his working papers with him. We are asking him however to cable his government that he has reached agreement with us on text of main agreement.

3. Bhabha has informed us that he will be available for signature any time after April 8. He also raised the question of the ceremony at the site and suggested that a Canadian minister might wish to participate in the ceremony after the Colombo Plan meeting next autumn, probably in November. We are not yet in a position to comment on this suggestion but we naturally are hopeful that a Canadian minister will be able to participate in the opening ceremony at the site.

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679. DEA/11038-1-13-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 273 New Delhi, April 21, 1956

TOP SECRET. MOST IMMEDIATE.

Reference: My immediately preceding tel 272.†

CIR PROJECT

There was one point in the conversation this morning on which I had to take a very firm line though I hope politely. Bhabha is now not satisfied with the final clause of Article XI of the main agreement, that is the clause which provides that "if an international agency acceptable to both governments" in being, or in prospect, the terms of an agreement between Canada and India on the provision of fuel elements will be "in keeping with principles of that agency".

2. Bhabha contended that this formula went further than the corresponding clause in the agreement between India and the United Kingdom which merely provides that if an international agency is established "the parties may by mutual agreement take such steps as they think fit to notify the agency of the existence and terms of this agreement". Similarly, he said the provision went further than that in the agreement between India and the United States on heavy water.

3. Bhabha said that he has always had "misgivings" about this provision in Article XI. These misgivings have now greatly increased as a result of the 12-Power meeting in Washington on the International Atomic Agency. The provisions of inspection and control which are now in the draft agreement are much more distasteful to India than the provisions in the previous draft which had existed when India agreed to Article XI of our draft agreement.

4. He did not want to propose at so late a date a revision of Article XI. What he did propose was that I should be given an "interpretation" by the Indian Government of the final provision of Article XI.

5. It was difficult for me to follow his argument without precise knowledge of what had been going on in Washington, but I gathered that what was worrying him was that the Government of Canada might contend two years from now that the "principles" of the international agency which would be applicable to the terms of an Indo-Canadian agreement on the provision of fuel elements would be the principles which could be deduced from the actions of the Board of Governors in approving or disapproving bilateral agreements between the Board and consuming countries.

6. I said there were four reasons why I was most reluctant to see this question raised now of the interpretation of the final provision of Article XI. In the first place, it had taken us months to reach agreement on this article. As far as I knew the discussions went back at least as far as last October. I had not myself been a party to the drafting of the language of the article, but I assumed that like any such formula it represented an unstable compromise. Secondly, I said that I knew that our people considered that they had gone a very long way to meet Indian wishes when they had accepted the language of Article XI. Thirdly, I hoped very much that we could put this agreement through without getting involved in the differences of opinion which had developed in the Washington conference and which I was afraid had led to a good deal of bad feeling. Finally, I said that if India were now to put forward an "interpretation" of Article XI and to ask for our acceptance of it, I would of course cable this to you immediately, but that I thought it would be unrealistic to assume that we would be able to work out an agreed interpretation in time to sign on Saturday, April 28.

7. I concluded by saying that if, however, India considered it could not conscientiously sign the agreement now without an agreed interpretation, then of course the only course open to India would be to propose an agreed minute. Pillai backed me up on this by saying that it was clear that India could not sign with a mental reservation.

8. Bhabha tried to get me to give my opinion on the meaning of the final provision of the article. I said I was not capable of giving an official interpretation of the provision. Presumably if the constitution of the international agency included a chapter headed "principles" as in the Charter of the United Nations this would define the term "principles" in Article XI. I also said that it did not seem to me that the provision meant that it would be the intention of the Canadian Government to submit an Indo-Canadian agreement to the Board of Governors of the International Agency for their approval. Having gone this far, I then drew back by insisting, with Pillai's support, that nothing I had said could be interpreted as an expression of opinion of the Canadian Government on the meaning of the article.

9. The matter was left by Pillai and Bhabha agreeing that they would discuss further alone and that Pillai would then let me know whether India was prepared to let the matter rest. This Pillai is to do by Monday at the latest.[34]

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[34] M. Pillai a par la suite informé M. Reid que l'Inde ne remettait : « the question of the wording or interpretation of Article XI ». New Delhi à Ottawa, Télégramme 275, 23 avril 1956, MAE 11038-1-13-40. Pour prendre connaissance du rapport publié sur l'accord conclu entre MM. Reid et Nehru le 28 avril 1956 à New Delhi, voir Canada, ministère des Affaires extérieures, *Affaires Extérieures*, vol. 8, N° 5, mai 1956, pp. 121-124.
Pillai subsequently informed Reid that India was not "raising the question of the wording or interpretation of Article XI." New Delhi to Ottawa, Telegram 275, 23 April 1956, DEA 11038-1-13-40. For a published report on the agreement which was signed by Reid and Nehru on April 28, 1956 in New Delhi, see Canada, Department of External Affairs, *External Affairs*, Vol. 8, No. 5, May 1956, pp. 113-116.

10. I found the whole discussion deeply disturbing as another example of the deep suspicions which India has of either the good sense or the good intentions of the West, and in particular the United States, on atomic energy matters.

[E.] REID

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680. DEA/14003-J2-3-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

DESPATCH 535 New Delhi, April 29, 1957

CONFIDENTIAL

INDO-CANADIAN ATOMIC REACTOR: PROVISION OF FUEL ELEMENTS

You will recall that Article XI of the agreement of April 28, 1956, on the Canada-India Colombo Plan Atomic Energy Project, reads as follows:

> "It is the intention of both Governments that the fuel elements for the initial fuel charge and for the continuing requirements of the reactor will be supplied from Canada save to the extent that India provides them from sources within India. Arrangements for the provision of the fuel elements to India from Canada will be agreed upon by the two Governments before the reactor is ready to operate; if an international agency acceptable to both Governments has come into being or is in prospect at that time, the terms of such agreement will be in keeping with the principles of that agency."

2. At the request of the External Affairs Ministry, I called on the Ministry on April 25 to discuss the question of the arrangements for the provision of the fuel elements from Canada to India. My discussions were with Mr. Azim Husain, Joint Secretary of the External Affairs Ministry, and Dr. H.J. Bhabha, Secretary of the Department of Atomic Energy. Mr. Azim Husain was a silent observer on behalf of the External Affairs Ministry.

3. Dr. Bhabha referred to the *Aide Mémoire* of February 5, 1957,[35] which you had given to the Office of the Indian High Commissioner in Ottawa on the subject of the general terms upon which the Canadian Government is prepared to negotiate with other friendly governments for bilateral agreements covering in particular the supply of natural uranium by Canada.

4. Dr. Bhabha drew my attention to the statement in the *Aide Mémoire* of the intention of the Canadian Government to include in international agreements on the supply of natural uranium "adequate safeguards, similar to those contemplated in Article XII of the Statute (of the International Atomic Energy Agency) against diversion of the uranium supplied and of fissionable products thereof to other than peaceful uses."

5. He said he trusted that this did not apply to the provision of uranium by Canada for the India-Canada Atomic Reactor. In his opinion, the only "safeguard" which was required was the undertaking of the Government of India to ensure that the reactor and any products resulting from its use will be employed for peaceful purposes only. Once again, as in pre-

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[35] Voir Volume 23, Chapitre 7, 2ème partie.
See Volume 23, Chapter 7, Part 2.

vious discussions, he referred to the agreement which he had made with the United Kingdom authorities which, he said, was an example of the kind of informal arrangement which could be made between Commonwealth countries. He thought that, even if Canada considered that detailed "safeguards" were required in agreements with non-Commonwealth countries, Canada could make an exception for India, and say that it was doing so since India was a Commonwealth country.

6. I suggested that he was putting forward a new sort of "imperial preference", and he agreed.

7. I said to him that I had not lately refreshed my mind by consulting our files on this matter. I found it difficult, however, to reconcile his suggestion with the language of our agreement. Under Article XI of the agreement, Canada and India had undertaken that the terms of an agreement between them on the provision of fuel elements to India from Canada would be in keeping with the principles of the International Atomic Energy Agency. Now he was saying that the only undertaking by the Government of India would be that which India had already made in Article III of the agreement of a year ago. The effect of this would be to give no content to the undertaking in Article XI. This was contrary to the rules governing the interpretation of international agreements.

8. I added that I was unhappy about the proposal which he had made since my impression was that the kind of agreement with India which you are contemplating would include safeguards of the kind set forth in Article XII of the Statute of the International Atomic Energy Agency.

9. (Unfortunately, we do not appear to have a copy of the Statute in our files. Dr. Bhabha was good enough, however, to send me a copy the next day.)

10. Dr. Bhabha said that the "safeguards" set forth in Article XII were maxima, not minima. I could not follow him at the time, but on reading the article I assume that, in his opinion, this follows from the provision that the Agency should have the rights and responsibilities listed in the article "to the extent relevant to the project or arrangement".

11. He also contended that the terms "the principles of that Agency" in Article XI of the Indo-Canadian agreement could not be defined until the Board of Governors of the Agency had established a case law.

12. Since at one time he seemed to bridle at any suggestion that India agree to "safeguards", I said that he well knew that the Canadian Government had every confidence in the integrity of the Indian Government. It did not have the same confidence in the integrity of other governments with which it might be negotiating agreements on the provision of uranium. We did not want to set a precedent in our agreement with India which would make it more difficult to insist on safeguards in agreements with other governments.

13. Dr. Bhabha brought up several times in the conversation the Indian contention that it is not equitable that there should be one set of rules applying to one set of nations, and another set of rules applying to nations such as the United States. There should be equality of treatment. For India this was a matter of principle.

14. Dr. Bhabha also referred a number of times in our talk to the fact that India could provide the fuel charges for the reactor from sources within India, and thus avoid the necessity of making an agreement with Canada on the provision of fuel elements. He said that merely to conserve its foreign exchange India might be compelled to set up facilities in India in order to be able to provide itself with its own fuel. In ten years' time India would have at least three atomic power stations of 140,000 kw. capacity. Each of these would require a charge of 250 tons, and the annual consumption of each would be 100 tons. The 300 tons annually consumed by the three stations would cost India about $25 million a year in foreign exchange. While the bill in ten year's time would be about $25 million a

year, it would very soon after that go up to something like $75 million a year when the installed capacity of atomic power stations in India would be ten stations of 140,000 kw.

15. I said to Dr. Bhabha that I thought it would be extremely difficult to get agreement on this kind of matter by correspondence. I understood that he said he would be visiting Canada soon. Dr. Bhabha said that he would like to spend a week in Canada during the month beginning September 15, and he would, of course, be visiting Chalk River. He would, therefore, be available for talks on the problem which he raised with me. I assume, therefore, that you will be prepared to discuss the matter with Dr. Bhabha when he goes to Ottawa this autumn.

16. From my general knowledge of international negotiations on a matter of this kind, I suggest that it is essential to avoid if at all possible, a head-on collision on questions of principle. I suggest that you send to Dr. Bhabha before he leaves for Ottawa a draft of the precise agreement which you would like India to sign. There would then be the hope that Dr. Bhabha would find that most of the suggestions which you made were agreeable to him, perhaps with slight modifications. In any event, the differences between the negotiators on the two sides might well be narrowed.

ESCOTT REID

SECTION F

MALAISIE
MALAYA

681. DEA/11038-AB-17A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], October 23, 1956

COLOMBO PLAN AID TO MALAYA

The memorandum to Cabinet† recommending that Canada contribute $200,000 toward the cost of Aeromagnetic and Radioactivity survey of Malaya was circulated to Ministers in your absence. When it was discussed briefly at Cabinet two weeks ago, Mr. Harris questioned the propriety of Canada contributing assistance to a dependent territory. The item was therefore deferred until your return. It is now a matter of some urgency that Cabinet consideration be given to this matter as preparations for the survey by a Canadian company are well advanced, and extra costs will be incurred if work cannot begin fairly soon.

2. The purpose of this memorandum is to review various considerations which might be set against Mr. Harris' concern about the propriety of our giving aid to a colony.

3. The Cabinet memorandum states (paragraph 3) "....it is desirable to assist Malaya in carrying out a worthwhile project; Malaya is nearing independence and is anxious to establish links with Western countries, and particularly with other Commonwealth countries". Independence for Malaya has already been publicly promised by the United Kingdom for August, 1957. While it is still legally a colony it has the special status of having been promised independence. Even if we were to take the view that colonies ought not to get

assistance under the Colombo Plan but should be looked after by their "mother countries", we might make an exception of Malaya. Further, it is in the field of economic development that the Malayans have already achieved a considerable degree of independence. We have been negotiating with Malayans, not with British officials. Canada has already recognized the approaching independence of Malaya by such actions as your visit to Kuala Lumpur in November, 1955. It will be further emphasized by Mr. Martin's visit next January.

4. We have no reason to believe that other countries in the area would look askance at our furnishing aid to Malaya. Indeed we have reason to believe that it would be welcomed by them. Further, the request offers an opportunity for Canada, not nearly so well-known in Malaya as are Australia and New Zealand, to make her number with this important and strategic territory which within less than ten months will be an independent nation, seeking the support of the West which it is also to our advantage to give.

5. A subsidiary reason for extending assistance is our failure in the eyes of Malaya to accede to its request that we supply an expert to assist in the drafting of the Malayan constitution. If this were to be followed by a failure to consider a request for financial assistance it might have an adverse effect in an area of the world which we are particularly anxious should remain friendly toward the West.

6. The provision of and to Malaya would not seem to open the way for a host of colonies to request our assistance, partly because there are few dependent territories left in South and South East Asia and partly because Malaya is in a very special position. The provision of assistance to a dependent territory in the Colombo Plan area would also not seem likely to increase the pressure for aid to colonies in other parts of the world anymore than the giving of aid to independent countries in that area exposes us to claims from independent countries elsewhere for assistance from us.[36]

J. L[ÉGER]

SECTION G

PAKISTAN

SUBDIVISION I/SUB-SECTION I

AIDE
AID

682. PCO/U-10-3(b)

Note du sous-ministre adjoint du ministère des Finances

Memorandum by Assistant Deputy Minister, Department of Finance

CONFIDENTIAL [Ottawa], June 18, 1956

COLOMBO PLAN — WARSAK — RECENT DEVELOPMENTS

1. On June 13 there was a meeting of the Colombo Group to hear a report from Mr. Hewer, the Canadian Government Engineer (from Defence Construction Ltd.) who is

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[36] Note marginale :/Marginal Note:
Agreed to in Cabinet today Oct 25 L.B. P[earson]

acting as a liaison officer in respect of Warsak and certain other Colombo Plan projects in Pakistan. In Mr. Ritchie's absence, I took charge of the meeting.

2. Mr. Hewer reported that there were eight "limiting factors" on the work at the site:

(i) The Pakistanis had persistently failed to supply about 120 men of the foreman type who had been requested as early as five or six months ago.

(ii) Interminable delays were encountered in getting the Pakistanis to provide the local supplies for which they were responsible, under the agreement; indeed substantial quantities of these supplies (e.g. lumber) had had to be moved from Canada.

(iii) Power had not been provided in the quantities agreed, or at the time agreed, and recently there had been an almost complete breakdown.

(iv) The Pakistanis complained about non-cooperation, (e.g. in submission of plans to them) but actually they were non-cooperative themselves and were not shouldering their responsibilities (e.g. Azam, the chief engineer, had only visited the site a couple of times. Hewer had told him what a chief engineer was expected to do but Azam did not change his practices.)

(v) Damage to construction equipment used by Pakistanis was very high and seemed to outrun even what could be expected from relatively incompetent operators; it seemed possible that there was minor sabotage.

(vi) Similarly, pilferage seemed to be unduly high and condoned at high levels on the Pakistani side.

(vii) Housing for Canadian personnel was now adequate (in some cases more than adequate) but had been provided by the Pakistanis only after great delays. Incidentally the Pakistani doctor, that they were providing, was unlikely to stay due to his bad living conditions.

(viii) In some cases the project manager (Morgan of Acres) was not firm enough in making his decisions stick with the contractor (Angus-Robertson); if anything he was too easy rather than too firm with the Pakistanis, despite rumours to the contrary.

3. There was considerable discussion of all these points. In regard to the failure of the Pakistanis to fill foreman-type vacancies, Mr. Hewer said that many of the 100 Canadians in "the colony" had had to turn their hands to types of work that should be done by Pakistanis. The Pakistan authorities had, nevertheless, vigorously objected to having so many Canadians on the site; they had been told that, for every Pakistani who could be supplied for the specified jobs, a Canadian would be released for return to Canada. As for the power failure, new generators had been brought from England and the first would be in operation soon.

4. Mr. Hewer suggested that one of the main reasons behind all the difficulty was that, while top people in Karachi wanted the project to be completed as soon as possible, which had led Canada to press forward and minimize formalities and delays, local labour wanted to spin it out as long as possible.

5. Representatives of External Affairs, including Mr. Cleveland who until recently had been second in command to our High Commissioner in Pakistan, emphasized the general sensitivity of the Pakistanis, and their sense of political isolation at the moment. In regard to Colombo Plan arrangements covering Warsak, it was to be recalled that we had *not* consulted them (as promised) before appointing the Canadian contractor. (Mr. Howe had chosen Angus-Robertson as the only competent one available.) We had *not* employed the type of contract they had urged (one with a target date), and we had consulted them rather perfunctorily about the detailed provisions of the contract. In the light of all this, it was

more than likely that the Pakistanis considered that the choice of the contractor and the form of the contract were dictated by political interests in Canada. This impression was probably strengthened by reason of the fact that the costs of this project, under the Canadian contractor, appeared likely to be far higher than they would have been if we had agreed to the Pakistani suggestion, at the time Canada undertook to construct the civil works (in addition to supplying machinery and equipment) that the contract should be put out to international tender.

6. I said there were now three possible lines of action. In descending order of unpleasantness they were:

(a) Canada might withdraw completely;

(b) we might withdraw partially, allow the project to go to tender, but provide some equipment and materials;

(c) we might try to patch up the existing arrangements.

I also said that, in view of the history of Warsak, I would not be willing to recommend to Mr. Harris any further increase in the Canadian contribution beyond the present already over-large amount of $36 million. Mr. Finlay Sim, speaking for Trade and Commerce, said he would take a similar position with Mr. Howe.

7. McInnis (External) pointed out that if we followed (a), the project would probably be taken over by Russia; it was conveniently located near the restive border of Afghanistan. It was generally agreed that, subject to Ministerial approval, we should make an attempt to follow course (c) — i.e. to patch up the existing arrangements.

8. At the end of the meeting Mr. Cavell said that he and Defence Construction Ltd. had arranged to meet representatives of Acres, and later Angus-Robertson, during the next two days. It was agreed that our Group should meet again on June 15. It would be necessary to develop a common Canadian view before the Pakistanis (Khaleeli from Karachi and their two senior men from Warsak) arrived in Ottawa next week.

9. On June 14 I outlined the foregoing developments to Mr. Harris, together with a brief sketch of the history of the Warsak Project and how the Canadian contribution had risen, step by step over 2 1/2 years, from $13 million to $36 million. I emphasized that Warsak was technically and economically a very good project but that I was not going to recommend any further increase in the Canadian allocation. I said I would keep him in touch with developments but would appreciate preliminary guidance. Mr. Harris expressed the opinion that, between the lines of action listed in paragraph 6 above, (b) seemed the worst from his point of view. (I remarked that Mr. Pearson would probably consider (a) the worst.) He agreed that officials should pursue line (c) as far as possible.

10. Mr. Sharp told me that, when he had reported to Mr. Howe on the meeting of June 13, Mr. Howe had remarked that, in dealing with people like the Pakistanis, the important thing was to let them feel they were doing everything but in fact to do everything yourself.

11. On June 15, there was another meeting of the Colombo Group. Mr. Johnson, President of Defence Construction Ltd., reported on the situation with particular reference to the discussions that had been held with Acres and Angus-Robertson the previous day. He began by reviewing the difficulties faced by the Contractor and Consulting Engineer on the site, with particular emphasis on the failure of the Pakistanis to supply foremen, etc. — see para 2 above, especially section (a). Unfortunately different members of his staff produced different figures on this point, which in turn apparently differed (as pointed out by Mr. Finlay Sim) from those used by Mr. Hewer three days before; indeed the most recent figures supplied the previous day by the Contractor suggested that many of the vacancies had in fact been filled. Further, in relation to the other main complaint (Pakistani failure to

provide local supplies) I was unable to get any specific answer to the question what, in fact, they *had* supplied.

12. Mr. Johnson then proceeded to make some "recommendations" on behalf of himself, the Supervising Engineer and the Contractor, as follows:

(a) It should be accepted that the Pakistanis were unlikely to supply the 120-odd foreman-type men, and accordingly additional Canadians as required up to this number should be sent over to do the work.

(b) At the same time, a two-year extension of the target date should be accepted. Already, due to the recent non-cooperation of the Pakistanis, a year had been lost, so that the completion date had been automatically extended from 1958 to 1959; and now, on sober reflection, the Contractor considered it virtually certain that a further year would be involved, bringing the target to mid-1960.

(c) The cost to Canada involved in (a) and (b) would approximate $7 million additional. (If the extra Canadians were *not* sent over, and an attempt were made to worry along under the present exasperating conditions, the target date would have to extend to 1962 and the extra cost would run upwards of $9 million.)

(d) Arrangements should be made with the Pakistanis that the Contractor should be given freedom to buy materials and supplies locally, as required, thus avoiding the interminable delays of Pakistani purchasing procedures. The total amount would be only a quarter of a million dollars (included in (c) above) and the Pakistanis, who feared the impact of Canadian purchasing on their already short supplies of construction material, would get dollars which would ease their exchange position and permit them to replace the supplies used up.

(e) There should be no attempt to renegotiate the covering Agreement with the Pakistanis, which had been signed by Mr. Pearson in Karachi last November. It might not be perfect, but was good enough and should be made to work. (Here I pointed out that at some of the crucial points, e.g. in relation to purchasing of supplies, the Agreement was vague and had become highly contentious; indeed the purchasing practices both of the Pakistanis and of the Canadians seemed to bear little relationship to it. In the interests of amity and cooperation such points should surely be elucidated and agreed upon.)

(b) Finally, expressing a purely personal view, Mr. Johnson stated that neither his Corporation, nor the Consulting Engineer, nor the Contractor were "diplomats". While they were glad to be participating in a constructive programme like the Colombo Plan, basically they simply wanted to get on with their jobs. It seemed desirable that there should be other Government officers, perhaps in Mr. Cavell's organization, who could make improved contacts with the local people.

13. In bringing the meeting to a close, I thanked Mr. Johnson for his review and recommendations, but pointed out that they could scarcely be considered encouraging. The main ones involved substantially more Canadians on the site, a substantially longer period for construction, and substantially more money from the Canadian Treasury. We knew that the Pakistanis were already objecting to the large number of Canadians, whose presence was extremely costly; and that they were already very upset by the loss of a year in the construction time-table; further, I found it difficult to believe that, in the light of the history and present position of this project, Canadian Ministers would be willing to devote more money to it. I noted that, in his report and recommendations, there was no suggestion of any need for remedial action or changed attitudes on the Canadian side. Naturally I did not want to find faults in Canadian engineers or contractors, but it would have helped, in meeting the Pakistanis, if we could have shown some willingness to make adjustments and a

disposition to take a bit of whatever blame there might be. No doubt all present would want to think over these points in the few days remaining before the Pakistanis arrived.

A.F.W. PLUMPTRE

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683. DEA/11038-2-2B-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Pakistan

Secretary of State for External Affairs
to High Commissioner in Pakistan

TELEGRAM E-176 Ottawa, June 25, 1956

SECRET. IMPORTANT.

WARSAK DISCUSSIONS

There were intensive discussions all last week with Khaleeli. On the whole the atmosphere for these talks was good although the exchanges were frank and marked differences of opinion were brought out. We were able to bring Khaleeli into close contact with senior government officials concerned with Colombo Plan and with the principals of the Canadian consulting engineers and contractor. Khaleeli also had discussions with Mr. Howe who impressed on him the importance which Canadian Government attaches to this project.

2. It is our impression that Khaleeli was honestly searching for solutions to the misunderstandings and differences which have arisen at the site. Since he obviously relied on Azam Khan for his information he may not have been fully aware of the actual position at the site. In our view these talks went a long way towards correcting misapprehensions which exist on both sides and I believe that Canadian Government officials now have a better understanding of Pakistani position.

3. We are repeating in our immediately following telegram† the text of a letter which was given to Khaleeli at the conclusion of our talks and the text of his reply. As you will see certain changes in procedures have been suggested, the most important of which is the creation of a co-ordinating committee at the site over which Azam Khan will preside. For your own information the contractor had some reservations about the creation of this committee but we believe that they are now satisfied that it is a practicable suggestion and that it will lead to improved co-operation. During these meetings we were impressed with the need for giving more prestige and real or apparent authority to Azam Khan. We do not expect this committee to alter the arrangements for the management of the project which are set out in the agreement. On the other hand, we emphasized that the momentum must be restored to the project and that the two governments will have to review the whole position in about nine months time. We were quite frank in pointing out to Khaleeli that it would be extremely grave if new understandings did not produce results.

4. I am also repeating to you the text of a telegram† which we have sent to the Minister in London in which we have suggested the comments which Mr. St. Laurent may wish to make to the Prime Minister of Pakistan in connection with Warsak.[37] It would seem desirable for you to call on the Foreign Office immediately and give them a summary of the

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[37] Voir/See Document 643.

substance of the exchange with Khaleeli. (You would no doubt agree that it is not desirable to give copies of the text of these letters to the Foreign Office until Khaleeli has had an opportunity to get them back to his people). You might also use your approach to the Foreign Office to point out that Mr. St. Laurent will be speaking to the Prime Minister of Pakistan in London. You might wish to reiterate the serious consequences which would result if the new procedures do not bring about the conditions at the site which are necessary for the successful execution of the project. We attach great importance to the developments over the next nine months and we believe Khaleeli will also be watching the project very carefully during that time.

5. Azam Khan and Manzur Ahmad are staying on for a few more days to discuss specifically the new proposed responsibilities of the chief engineers with regard to local personnel and the handling and safeguarding of stores. We also hope it will prove possible to reach better understandings about housing and an attempt will be made to draw up in as much detail as possible a further list of materials required for the project which will indicate for which items Canada is responsible.

6. We are under no illusions that we have solved the problems at Warsak during the meetings in Ottawa. These can only be solved by active cooperation between Azam Khan and the Canadians at the site. We are hopeful that this can be brought about, partially as a result of these new procedures, but also because Khaleeli will be seeking to encourage this cooperation insofar as he has control over Azam Khan and other factors which are responsibility of Pakistan. We have also urged contractor and consulting engineers to adopt more genuinely cooperative attitude. There are a number of important questions to be followed up which we will be listing in greater detail in a separate letter. We will also be discussing with you the status, responsibility and location of Canadian Government engineer.

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684. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], August 29, 1956

Present:

The Minister of National Revenue and Acting Prime Minister (Dr. McCann), in the Chair,
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
the Minister of Justice and Acting Minister of Finance (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General
 and Acting Minister of National Defence (Mr. Lapointe),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Northern Affairs and National Resources (Mr. Lesage).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

. . .

COLOMBO PLAN; FURTHER ALLOCATIONS FROM EXISTING FUNDS

9. *The Secretary of State for External Affairs* recommended that additional money from existing Colombo Plan appropriations be allotted for telecommunications equipment at the Colombo airport, for the production of additional copies of maps and reports arising from

the aerial resources survey of West Pakistan, and for locust control equipment to be sent to Pakistan.

An explanatory memorandum had been circulated.

(Minister's memorandum, Aug. 23, 1956; Cab. Doc. 173-56†).

10. *During the discussion* the following points emerged:

(a) It was understood that some consideration was being given to assist India to explore for oil. Such exploration was highly risky venture and no government had been successful in "wildcatting" operations. Furthermore, India had indicated it might nationalize its oil industry if one emerged, and it was questionable whether Canada should provide aid in such circumstances. It was argued strongly, on the other hand, that it would be most unwise to say that Colombo Plan assistance would be refused because the resulting industry would be a nationalized one. Of course, if the project mentioned was not good on its merits that was another matter altogether, and it should not be undertaken.

(b) There would be a good deal of criticism in Canada if government funds were provided for oil exploration in India while most of this kind of work in Canada was financed by U.S. companies. It was much simpler to defend Colombo Plan projects if they consisted of the type of work normally undertaken at public expense in Canada, such as the reactor for India, rather than by ordinary industrial enterprises.

11. *The Cabinet* approved the recommendations of the Secretary of State for External Affairs and agreed,

(a) that, in addition to the originally approved $205,000, $80,000 be allocated from the 1956-57 Colombo Plan vote for equipment for the Colombo airport, and that a contract be concluded with Standard Telephones and Cables Manufacturing Company for an amount not exceeding $285,000 for the provision of the necessary items;

(b) that a further $70,000 from existing Colombo Plan funds be authorized for the production of additional copies of maps and reports as a supplement to the serial resources survey of west Pakistan; and,

(c) that an expenditure of $100,000 from existing Colombo Plan funds be authorized to purchase equipment for Pakistan for use in connection with the locust control project in the Arabian peninsula.

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685. DEA/11038-2-2B-40

L'administrateur de la Direction de la Coopération économique
et technique internationale du ministère du Commerce
au chef de la Direction économique

Administrator, International Economic and Technical
Co-operation Division, Department of Trade and Commerce,
to Head, Economic Division

Ottawa, March 22, 1957

My dear Lou [Couillard]:

Frank Pratt, our Chief of Capital Projects, has just shown me some of the correspondence concerning the suggestion that our engineers at Warsak consult with Harvey

Slocombe at the Bhakra-Nangal Project in India with a view to solving the Warsak problems.

That our engineers should have a look at Bhakra-Nangal and what is going on there has long ago been considered to be advantageous and such visits have actually taken place, but I doubt very much if Harvey Slocombe or any other outsider could solve our Warsak problems unless of course we took him on as a consultant so that he could study them, and paid him the very huge fee which he would charge. In the first place India would not agree, and in the second place Harvey Slocombe would probably not agree and there is no doubt but that Pakistan with its present feelings towards India would not only not agree but would take violent exception to any such suggestion.

My own feeling is that very definitely in this matter Pakistan is not India and it is useless to compare the two. All our projects in India have gone and are going extremely well and there is of course a very good reason for this. At the time of partition, India inherited virtually everything which was worth inheriting: the army, the police force, the various engineering bodies, schools, training colleges, etc., with the result that India is away ahead of any other country in South East Asia and, as our Consulting Engineers will tell you, they find for instance that the Madras engineering body is as good as that to be found anywhere.

If one turns to the Atomic Reactor we are building in Bombay, which I saw only a few weeks ago, we have been able there to recruit a type of Indian technician, in considerable numbers, the competence of which group is unheard of in Pakistan. Harvey Slocombe, therefore, at Bhakra-Nangal has been able to recruit all kinds of Indian help which simply does not exist in Pakistan. Poor Pakistan at partition — only about ten years ago — started absolutely from scratch as a new nation, and you do not build up all the services which India has in anything like ten years. The marvel is that Pakistan has done as well as she has seeing that she is short of everything including competent personnel, and as I have said, until saying it again nearly puts me to sleep, it is the weak sisters in South East Asia, of which Pakistan is one, which need our help most.

I say all this in an endeavour to point out that there is no comparison between what happens on a project in India and what happens on a similar project in Pakistan; neither is it, as too many people seem to think, that the Pakistan Government has some diabolical plot afoot to bring about inefficiency at Warsak and in connection with other projects. I would like to ask what sort of chaos would result in Canada were we suddenly, for serious political reasons, to abolish all our Provincial Governments and amalgamate them into two? This Pakistan has been compelled to do within the last two years. The result is that such cooperation as there was between the Central Government and the Provinces has been virtually destroyed. The bringing into being of the West Pakistan Provincial Government, which now contains virtually all the others, has brought about such a volume of problems as would seriously tax the efficiency of a well established country like our own.

Again I repeat that the marvel to me is that Pakistan functions at all, not that she functions inefficiently, but let me say again that this is all the more reason why we should stick with her, help her all we can and not be so upset because she does not function as well as India. We shall go from crisis to crisis in Pakistan simply because these crises exist and will continue to do so until Pakistan becomes a much stronger state than she is now, and this is not going to happen overnight. Surely Canadians are not going to say "this is a difficult project, let's pull out", and surely no one is going to be influenced by the vaporings of inexperienced newspaper men who know nothing of the problems of Warsak and even less of those of Pakistan as a state.

Actually I was very encouraged at Warsak, much has been accomplished, the work is going on, but let no one think that there will not be problems in plenty to solve in the future — there most certainly will. We are engaged at Warsak in the rehabilitation of a people and in helping Pakistan to create a staple tribal belt between itself and Afghanistan and only a few miles away, Russia. Warsak was a good project when we started it and is still a good project. The problems of building it can be licked and are being licked. From the point of view of being really helpful to the people and stability of South East Asia this is by long odds the most important project we have anywhere. We are engaged in helping India to maintain a very considerable stability already attained. On the other hand, we are helping Pakistan to pull itself up over the edge of the cliff of very grave instability. Surely of the two, the latter is the most necessary effort. Grave danger to the peace and prosperity of 85 million Moslems in Pakistan would have very serious repercussions on the whole Moslem world, and God knows, it is inflamed enough already.

No one is more concerned than I am about the problems of Warsak and no one will work any harder than I will to try and solve them and keep them solved, but I do deplore all the talk I hear on my return about Warsak being "a project into which we should never have entered", and Warsak being "a project from which we should pull out", etc., etc.

Yours sincerely,

NIK CAVELL

SUBDIVISION II/SUB-SECTION II

ÉNERGIE ATOMIQUE
ATOMIC ENERGY

686. DEA/11038-2-13-40

Le sous-secrétaire d'État aux Affaires extérieures
au haut-commissaire au Pakistan

Under-Secretary of State for External Affairs
to High Commissioner in Pakistan

LETTER E-625 Ottawa, December 12, 1956

CONFIDENTIAL

Reference: Your Letter Number 1034 of November 22.†

PAKISTAN'S ATOMIC ENERGY PROGRAMME

We have read with interest your comments on Pakistan's atomic energy programme. Your letter arrived very opportunely, since Dr. Nazir Ahmed arrived in Ottawa for what turned out to be a five day visit beginning on December 3. This visit followed conversations in New York with our Delegation to the Conference on the Statute of the International Atomic Energy Agency during which Dr. Ahmed expressed an interest in exploring in some detail with the Canadian authorities concerned the ways in which Canada might assist Pakistan's programme.

During his visit here Dr. Ahmed made two trips to the Commercial Products Division of Atomic Energy of Canada Limited and a one day visit to Chalk River. On his first day here he spoke to a meeting of officials from various Departments concerned either in

Colombo Plan matters or in atomic energy matters, and later during his stay this general discussion was followed up in more detailed talks with officers of Mines and Technical Surveys, National Health and Welfare, the National Research Council and Atomic Energy of Canada Limited. On his final afternoon here he reviewed the results of his visit with Ritchie, MacInnes and Kirkwood.

His first and most general concern is to obtain an Atomic Reactor for his programme. His discussions with U.S. officials had revealed that there would be no difficulty in concluding a bilateral agreement with the United States which would cover the provision to Pakistan of a so-called "Swimming Pool" Reactor valued at some $350,000. This relatively primitive instrument is useful for training and of some value for purposes of research and production of radio isotopes. Its value in the latter two fields, however, is limited, and it is of little or no use for work on the testing of materials as a preliminary to the construction and operation of Reactors designed for the production of electric power. Accordingly, Dr. Ahmed would very much like to obtain a somewhat more advanced Reactor, and has particularly in mind one known as the CP-5 produced in the United States. This Reactor is intermediate (intermediate not only in performance but in cost, being worth some two and a half or three million dollars) between the "Swimming Pool" Reactor and the advanced and powerful research Reactor of the NRX type. In brief, it was explained to Dr. Ahmed and to the High Commissioner (who accompanied him in all of his talks in this Department) that it would be contrary to our general Colombo Plan policies to provide capital assistance for a project which would be clearly non Canadian in its general orientation. Hence we would probably not be prepared to contribute towards the purchase of a CP-5 Reactor in the United States, or to provide ancillary equipment for it. In response to his question, we agreed that a request from the Government of Pakistan for assistance in the acquisition and installation of a Canadian NRX Reactor would be considered within the context of our general programme of Colombo Plan assistance for Pakistan but would of course within that context have to compete with other desirable projects for the limited funds available. We referred to Warsak in this connection. We also explained how difficult it would probably be to find qualified Canadian firms capable of taking on such a project along with the other work in the atomic engineering field on which they were already engaged. In view of the cost of the NRX Reactor (in the case of India some $14,000,000 of which about $7,000,000 is expenditure outside India) we do not think it likely that the Pakistan Government will make such a request.

Dr. Ahmed appeared quite satisfied with our answers on these two questions, implying that they were only what he expected. He then went on to speak of other matters where he actually hoped we might be willing to assist him. In the capital field, he had in mind setting up in the near future a so-called "sub-critical" experiment which could be used for training qualified personnel in the fundamentals of Reactor theory and design. For this purpose certain limited quantities of uranium, highly purified graphite and lead would be required, and he hoped that this might perhaps be obtained from Canada. We indicated that we would give sympathetic consideration to a request for appropriate quantities of such materials, of course within the context of our over-all programme of assistance to Pakistan. We also indicated in response to his further questions that we would expect to be able to provide assistance on request in the form of training of technical personnel in the atomic field. In this connection Dr. Ahmed had explored with the Technical Departments concerned the types of training available in Canada, and we believe that arrangements could be made to meet at least a substantial part of his requirements in this area. Unfortunately the field of training in which he is most anxious to obtain assistance, namely training in Reactor Technology is that which it is most difficult for us to provide because of limitations both of space and of security at Chalk River. We did not, of course, indicate the security consideration to Dr. Ahmed, but we did reply that the arrangements for training the Indian scientists to operate the NRX Reactor has been worked out on a special ad hoc basis and might be difficult to duplicate.

Dr. Ahmed was planning to return to Pakistan shortly after his departure from Ottawa. On his return he will discuss the results of his North American trip within Atomic Energy Commission, and the Commission in due course will submit proposals to the Atomic Energy Council for ultimate consideration by the Government of Pakistan for specific forms of assistance which might be requested of the United States and Canada. In due course we may therefore expect to receive through normal Colombo Plan channels, specific requests for assistance along the general lines indicated above. As you will have realized, we will not at the present time, contemplate the provision of more than a limited type of assistance. Dr. Ahmed's plan for the establishment of a "sub-critical" assembly appears to us a useful and desirable first step, one which can probably be carried out even with the limited resources available to him and which will provide valuable training and experience for more advanced stages for the future. The forms of specialized training which might also be provided by Canada would undoubtedly be useful and would not in our judgment involve any over-extension of Pakistan's resources.

We would share your judgment that for political reasons the Government of Pakistan is anxious to proceed as rapidly as possible and in particular to maintain some semblance of parity with India. At the present stage in the Industrial and Technological development of the country such an effort appears to us over ambitious. We have some suspicion that Dr. Ahmed may share this view, although for obvious reasons he is not in a position to say so. It may therefore be that he will personally be quite satisfied to begin with the "Swimming Pool" Reactor and after a few years of experience with it he might then have the nucleus of specialized personnel required for the operation of a more advanced Reactor. He indicated the economic reasons why Pakistan is most anxious to proceed as rapidly as possible to the installation of power producing Reactors, but for a country as little developed as Pakistan it would obviously be a tremendous gamble to take this step based on experience with only one experimental Reactor of the CP-5 type. A much better programme would proceed in three stages rather than two, the first being a period of training with a "sub-critical" assembly and "Swimming Pool" Reactor, the second in a few years time involving work on an advanced research Reactor in Pakistan or elsewhere and only as a third stage the work on an experimental power producing Reactor such as that now being constructed in Canada. If as we suspect Dr. Ahmed himself is realistic enough to see the merits in this more gradual programme, we think it might be useful to give him what assistance we can towards a programme of this type.

A.E. RITCHIE
for Under-Secretary of State
for External Affairs

SUBDIVISION III/SUB-SECTION III

BLÉ
WHEAT

687. DEA/11038-2-1-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], July 19, 1956

REQUEST FROM PAKISTAN FOR CANADIAN WHEAT

I understand that during the meeting of Commonwealth Prime Ministers the Pakistan delegation raised with our delegation the question of the food shortage which is anticipated in Pakistan as a result of a short crop this year. Our High Commissioner in Karachi has also been in touch with the Pakistan Government on this question and we have now received what amounts to an official request from the Minister of Economic Affairs for special Canadian assistance in the form of a gift of wheat.

2. When a preliminary approach was made by the Pakistan Government to our High Commissioner a few weeks ago we consulted officials in the Department of Trade and Commerce, who in turn discussed with Mr. Howe the possibility of Canada providing wheat for Pakistan. Because of the limitation of Colombo Plan funds which are in prospect for Pakistan over the next two years (we expect that almost all of Pakistan's allocation will be required for the Warsak Project and other agreed development projects) Mr. Howe was not enthusiastic about the financing of wheat with Colombo Plan funds. The Pakistan Government has also indicated that they do not wish to divert Colombo Plan funds from vital development projects. On the basis of information available at the time it was also quite uncertain how critical the food shortage was going to be and Mr. Howe did not commit himself to what his reaction might be should you wish to propose that special funds might be voted for famine relief to Pakistan as the Canadian Government did in 1953. Mr. Howe remarked, however, that he was very reluctant to see Canada undertake any arrangements which might be presented in the same light as the United States surplus disposal programmes.

3. We have now had further information of a statistical nature on the anticipated food shortage in Pakistan. I am attaching a copy of telegram number 217† from Karachi which reports on the existing stocks and anticipated crops in Pakistan and on the amount of assistance which other governments (the United States and Australia) have undertaken to provide. However, the seriousness of the situation is far from clear and in this message as in earlier messages it is emphasized that hoarding of wheat throughout the country is partially responsible for the wheat crisis. In paragraph six of telegram 217 there is what amounts to an admission on the part of the Pakistan Government that they will probably not be able to bring the hoarded wheat on to the market until additional stocks have been provided from abroad to restore confidence.

4. We have, on the basis of our earlier discussions with the Department of Trade and Commerce, already indicated to the Pakistan Government that there was not an enthusiastic reaction in Ottawa to the proposal that Canada might provide a special gift of wheat to Pakistan at this time. Since that time however, I believe it has become reasonably certain that there will be substantial hunger and privation in West Pakistan and our High Commissioner has recommended that a sizeable gift from Canada would mitigate this. (He has suggested that this might be on a scale similar to that in 1953 — $10-million).

5. I am consulting you to enquire as to whether you wish to raise with Mr. Howe and Mr. Harris the possibility of asking Parliament for special funds for this purpose. On the basis of discussions with officials in the Department of Trade and Commerce and the Department of Finance, it is my impression that there are substantial reservations at their level about the provision of a gift from Canada partly because of the hoarding situation, partly because of unwillingness to enter into give-away programmes for wheat and, finally, (on the part of the Department of Finance) because of an unwillingness to see additional financial commitments undertaken at this time.

6. From our point of view the above thinking has considerable validity if the danger of a serious food crisis is being exaggerated; but, if in fact there *is* a real famine threatening it would be unfortunate if the Canadian Government failed to respond to help another friendly Commonwealth country, especially since others (U.S.A., Australia) are sending gifts. Moreover, the possibility can not be ruled out by any means that the U.S.S.R. will not provide help (whether the danger of a famine is real or simulated), especially since they are purchasing rice surpluses of other countries in the area.[38]

7. Perhaps before consulting other Ministers you would like us to ask our High Commissioner to approach the Pakistan Minister of Economic Affairs and ask him quite frankly if he considered that a serious famine was in prospect;[39] perhaps it might not be indiscreet if Mr. Scott were to point out that the rumours of hoarding were somewhat disturbing to those in Ottawa who were examining the Pakistan request. It would be helpful if we had a frank opinion from the Pakistan Government whether distribution by the army as was undertaken recently in East Pakistan might bring hoarded grain to the market.

8. If you agree with this suggestion you may wish to approve the attached telegram† to Mr. Scott.

J. L[ÉGER]

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[38] Note marginale :/Marginale Note:

They have already promised to do so—according to information I received in London. 30,000 tons wheat [and] 30,000 tons rice [L.B. Pearson]

[39] Note marginale :/Marginal Note:

Yes L.B. P[earson]

688. DEA/11038-2-1-A-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], August 20, 1956

PAKISTAN REQUEST FOR A GIFT OF WHEAT FROM CANADA

In our memorandum of August 2† we drew your attention to the fact that Mr. Scott expected to have from the Minister of Economic Affairs a realistic assessment of the situation within a few days. That assessment has now arrived and is contained in Telegram No. 232, of which a copy is attached. Our High Commissioner's own supplementary comments are contained in Telegram No. 236, a copy of which is also attached. In the light of these messages there would seem to be no doubt that the food shortage in Pakistan is serious and that great importance is attached to assistance from Canada. As you will see from Mr. Scott's message, substantial amounts of aid are being provided by the United States, Australia, the U.S.S.R., Communist China and Ceylon. There remains a wheat deficit of about 200,000 tons which Canada is being asked to help in making up.

2. It would seem to me that in view of the gravity of the food shortage in Pakistan and the efforts which they themselves and many other friendly and unfriendly countries abroad are making to meet the situation, it would be most desirable for Canada to help out as well. An offer of assistance from Canada would undoubtedly have substantial value from both a political and humanitarian point of view and would reduce the likelihood that this temporary food crisis will interfere with the progress of Pakistan's economic development. This would seem clearly to be a case in which aid could be provided in the form of wheat without disturbing normal marketings by ourselves or others and without exposing us to the charge that we were resorting to the kinds of surplus disposal practices for which we have criticized the United States.

3. A failure on our part to come to the aid of Pakistan in these circumstances might tend to confirm the reservations which some influential Pakistanis have had about the usefulness of their association with Western countries in the Commonwealth and other organizations — quite apart from the effect which the absence of such wheat shipments would have on the people who are suffering from the scarcity of food.

4. If the Canadian Government decided that it should make an offer now it would appear possible to finance such a gift temporarily out of available Colombo Plan funds which have not yet been committed to specific projects and which are not likely to be tied up until the end of the year. These funds could be replaced by a special appropriation when Parliament next meets. An alternative course would be to use the Governor-General's Warrant since Parliament is not now sitting. I am attaching draft letters† which you might wish to send to the Prime Minister, Mr. Howe and Mr. Harris if you feel that the Government should act on this request for assistance.

5. This question has been discussed with Mr. Sharp in Trade and Commerce and Mr. Plumptre in Finance.

6. Incidentally, the difficulties referred to in these papers are not likely to be lessened by more recent developments in the Sind part of West Pakistan. As you may have seen in a message from our High Commissioner within the past few days, the after-effects of the new floods in Sind may "reach disaster proportions".

J. L[ÉGER]

[PIÈCE JOINTE 1/ENCLOSURE 1]

Le haut-commissaire au Pakistan
au secrétaire d'État aux Affaires extérieures

High Commissioner in Pakistan
to Secretary of State for External Affairs

TELEGRAM 232 Karachi, August 2, 1956

CONFIDENTIAL. IMPORTANT.
Reference: My immediately preceding tel.†

PAKISTAN, WHEAT

Following for the Minister.

1. Amjad Ali's message follows: Scarcity of food in both (parts?) of Pakistan is a reality. The harvest of rice and wheat has been poor and much below normal expectation. The short fall in production in West Pakistan is due to late rains which are generally expected in January/February but this year came in March accompanied by hail storms and strong winds. The procurement drive by provincial governments has been a failure in as much as against 600,000 to 700,000 tons hoped to procure, they were able to purchase about 170,000 tons. This failure in procurement efforts clearly establishes non availability of requisite stock in the country. This is further confirmed by high prices of food grains prevailing in the market. If the Central Government enters the market at this stage this may result in an increase in prices of food grains to a level totally beyond the reach of the common man. Moreover, procurement is possible only in earlier stages when food grains are with cultivators. At this stage any action taken, however drastic, by the Central Government to purchase in the market would further frighten populous and everyone will keep a little more than his need.

The employment of armed forces would have a bad psychological effect and would accentuate feeling of scarcity in the country.

The only remedy lies in having sufficient visible stock with the government. These stocks can be created not through domestic procurement but by importing from abroad. With large supplies from abroad the element of fear would disappear and the tendency to keep more than needed would also disappear.

2. Mr. Amjad Ali has supplemented this message with a further note which begins "Africa [sic] mentions that we had previously purchased twenty thousand tons of wheat from Australia as you are aware and now we are purchasing another seventy thousand tons making a total of ninety thousand tons from Australia.

This, I hope, would remove all doubt from the mind of Mr. Pearson of our actual shortage because we would not have spent all this foreign exchange if we were not desperately in need of wheat".

3. My summary of the situation and my recommendations follow in a following telegram.

[S.M.] SCOTT

[PIÈCE JOINTE 2/ENCLOSURE 2]

Le haut-commissaire au Pakistan
au secrétaire d'État aux Affaires extérieures

High Commissioner in Pakistan
to Secretary of State for External Affairs

TELEGRAM 236 Karachi, August 3, 1956

CONFIDENTIAL. IMPORTANT.
Reference: My tel 232 Aug 2.

PAKISTAN REQUEST FOR WHEAT

Following for Minister.

1. It is possible that Amjad Ali's brief message may not fully answer question which I was directed to put to him.

The present telegram brings together elements in situation which we have handled in discussion with Prime Minister Amjad Ali with officials and with diplomatic colleagues.

2. Wheat required for all purposes throughout Pakistan is grown within territorial jurisdiction and handled by West Pakistan Provincial Government. Wheat for Karachi federal areas for armed forces for wheat eaters in East Pakistan and for other purposes previously described to you can only be collected in provinces of West Pakistan by provincial governments and then handed over to Central Government for distribution.

3. In West Pakistan there probably exists enough wheat to feed, though probably at a lower than normal level, those Pakistanis solely under food jurisdiction of provincial governments but allows for no reserve or carry over.

The Provincial Government has not collected wheat necessary for federal needs for following reasons

(a) a shortfall in wheat crops just harvested

(b) need for provinces to procure wheat for its own deficit areas ie Boluchistan and former NWFP

(c) a system of procurement which is not wholly effective.

4. Procurement is not wholly effective and hoarding does exist at a loss and is impossible to estimate. Such hoarding probably consists of two or three bags of grain additional to their requirements kept by millions of small farmers throughout provinces for seed purposes and for speculation in view of scarcity. Such hoarded grain would only come out if imports from abroad were assured or if provinces or centres had a reserve.

5. Amjad Ali told me three days ago that procurement by force would never bring out wheat unless there was an assurance of further supplies from abroad. There is obviously a limit to which centre can exert pressure on provinces moreover resentment would be strong since the Punjabi is a different breed from the Bengali. It should be made clear that the job of the army in East Bengal was that of distribution only. The role of the army in West

Pakistan which we are convinced would not be successful would be procurement a radically different process.

6. Whether actual famine faces West Pakistan I do not know and I do not think any one can be positive on this point in a country where crop and harvest statistics are so imperfect (group corrupt) there would be general food scarcity of a degree which would increase undernourishment and diseases which accompany it. The Prime Minister told me two nights ago that without availability of foreign wheat there is a very grave danger of a shortage which will cause severe human hardship.

7. Failing more wheat from abroad in near future famine certainly faces Karachi and other deficit food areas. Supply here is rapidly moving to zero we are told and real extraordinary measures are being adopted to obtain wheat by diverting cargoes meant for other countries. This is to me the strongest evidence of a shortage and inability to procure more wheat when they are forced to dip into their precariously small reserve of foreign exchange to purchase wheat. I learn purchase of an extra forty thousand tons of wheat is being negotiated with Australia at this moment.

8. Central Government has hoped and planned for the past few years to keep a reserve of 500,000 tons of wheat always on hand to meet such emergencies as now exist. Two years ago such a reserve was available but this has been utilized due to margin of harvests in intervening periods. Such a reserve were available procurement would be very much easier and there would be no incentive to hoard.

The Prime Minister stressed the importance of such a reserve in our conversation and this has been emphasized by other Cabinet members and officials.

USA have promised another 190,000 tons and Pakistan Government understands there is a possibility that a further 110,000 tons may be forthcoming bringing USA wheat provided up to 300,000 tons. Gifts food grains have also been forthcoming from Australia, USSR, China and Ceylon. However real wheat deficit now facing Pakistan Government is in order of 200,000 tons.

The attempted analysis has been thoroughly discussed with Australian and UK High Commissioners who would not I consider differ from it and it is consistent with our talks with Americans.

This Mission was slower than those of some countries in recommending help because we were troubled by same sort of doubt as existed in Ottawa. We now believe that foreign imports promised or hoped for will mitigate effects of a possible famine or at least of a probable shortage which would be exceptionally harmful to health of some parts of population. A contribution from Canada would also assist political stability here and in terms of friendship is highly desirable particularly in view of wheat provided by USA and other countries.

[S.M.] SCOTT

689. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], August 29, 1956

Present:

The Minister of National Revenue and Acting Prime Minister (Dr. McCann), in the Chair,
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice and Acting Minister of Finance (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General
and Acting Minister of National Defence (Mr. Lapointe),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Northern Affairs and National Resources (Mr. Lesage).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

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WHEAT FOR PAKISTAN

5. *The Secretary of State for External Affairs* reported that, mainly because of unfavourable weather conditions, there was a serious wheat shortage in Pakistan and, on political and humanitarian grounds, it was highly desirable to provide some to her as emergency relief. Pakistan had already been offered wheat by several countries, including Russia and the United States. The latter had agreed to provide 300,000 tons. Of course the U.S. had a very large surplus and was anxious to dispose of it wherever possible so this action was not exceptional. However, there was a genuine emergency. Pakistan had taken all the steps it reasonably could to deal with the situation, but help from abroad still appeared to be necessary if severe hardship were to be avoided. He had originally considered a Canadian contribution of 100,000 tons at a cost of $5 million. After discussing the matter with the Prime Minister, he thought that a gift of $1.5 million worth would be appropriate at the present time, to be charged to the Colombo Plan funds but reimbursed subsequently by a special appropriation. The Pakistan authorities might be informed of this immediately and also told that further consideration would be given to providing an additional amount up to an aggregate of $5 million worth, also to be charged against Colombo Plan funds for Pakistan. In any case, the funds resulting from the sale of wheat in Pakistan should be deposited as counterpart funds for use under the Colombo Plan.

6. *Mr. Garson, as Acting Minister of Finance*, said Mr. Harris had stated over the telephone that a contribution of $1 million seemed more appropriate. In any event, the two departments concerned should work out the detailed arrangements.

7. *During the discussion* the following points emerged:

(a) The Pakistan government had made a strenuous effort to establish the country on a sound financial basis but the problems they were encountering were almost insuperable. There was some hoarding of grain but this was inevitable. However, once reasonably adequate supplies were in sight, wheat held on farms would come onto the market.

(b) In considering the size of Canada's contribution, account should be taken of what other countries were doing and of the position of those nations who normally marketed some wheat in Pakistan. Australia, for example, was a steady supplier as a rule. However, she had no surplus at the present time and a Canadian contribution would not affect her export position.

8. *The Cabinet* noted the report of the Secretary of State for External Affairs on Pakistan's wheat shortage and agreed,

(a) that, in principle, a contribution of wheat not to exceed $1.5 million in value be made to Pakistan; the precise amount and the details of the transaction to be settled by the Departments of Finance and External Affairs in consultation;[40]

(b) that the cost of this contribution be charged in the first instance to the Colombo Plan fund but that a special appropriation be requested at the next session of Parliament to reimburse the fund for this disbursement;

(c) that arrangements be made for the proceeds for the sale of this wheat in Pakistan to be treated as counterpart funds under the Colombo Plan; and,

(d) that further consideration be given later, if it appeared to be necessary, to providing an additional contribution of up to $3.5 million in value as a contribution under the Colombo Plan.

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[40] Des fonctionnaires des deux ministères « agreed that Canada will make a gift to Pakistan of 25,000 tons of No. 4 grade wheat, or a lower grade if it is more acceptable. Total Canadian expenditure ... is to be less than $1,500,000 ». Le sous-ministre des Finances au sous-secrétaire d'État aux Affaires extérieures, 30 août 1956, MAE 11038-2-1-A-40.

Officials from the two departments "agreed that Canada will make a gift to Pakistan of 25,000 tons of No. 4 grade wheat, or a lower grade if it is more acceptable. Total Canadian expenditure ... is to be less than $1,500,000." Deputy Minister of Finance to Under Secretary of State for External Affairs, August 30, 1956, DEA 11038-2-1-A-40.

SECTION H

SINGAPOUR
SINGAPORE

690. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], November 28, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce
and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

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COLOMBO PLAN; ASSISTANCE TO SINGAPORE POLYTECHNIC SCHOOL

21. *The Secretary of State for External Affairs* recommended that a cash grant of $50,000 be provided from the 1956-57 Colombo Plan vote to assist in equipping a new Singapore Polytechnic School.

The government of Singapore had made available some $2.5 million for construction of the school and was seeking outside assistance for equipment and staff. Cost of equipment for the school workshops was estimated at $810,000. The government of New Zealand was prepared to provide $55,000 for this purpose in the form of a cash grant, as well as some teachers. The Australian government was also prepared to assist but the amount and the nature of the assistance was not yet known.

It was considered that a Canadian contribution could be put to good use.

An explanatory memorandum was circulated.

(Minister's memorandum, Nov. 28, 1956 — Cab. Doc. 234-56†)

22. *The Minister of Finance* pointed out that, up to the present, no cash grants had been made under the plan. The money would be spent by the government of Singapore and, no doubt, most of the goods would be purchased locally. He had no firm objections in this case, if it was considered desirable and the only method suitable, but would not like the action to set a pattern.

23. *During the discussion* the following points were made:

(a) There were special reasons for this as it was a co-operative action with other Commonwealth states. In Singapore, the Chinese were now taking over much more responsibility and were being tougher towards the communists. This grant would be an encouragement to them.

(b) There seemed to be evidence that the communist government of Red China was becoming more independent of the U.S.S.R. and, in connection with eastern European troubles, was showing sympathy with the Jugoslav attitude. Although it had publicly supported Moscow, this was in not too enthusiastic terms, and observations had been made in support of Jugoslavia and Poland and even of Hungary. A loosening of the ties in the communist empire seemed to be going on and the Chinese appeared to be trying to keep a foot on both sides. It was significant that in the U.N., recently, the Poles for the first time did not vote with the Russians. The Chinese government appeared to have done a very good job in building up the country's economy and morale. It seemed that, although China would maintain a communist government, this would not be under the direction of Russia. It should be noted also that, on the motion at the U.N. not to discuss admission of China, there were twice as many votes against as last year.

24. *The Cabinet* noted the report of the Secretary of State for External Affairs and agreed,

(a) that a cash contribution, from the 1956-57 vote for the Colombo Plan, be given to the government at Singapore for assistance to the Singapore Polytechnic;

(b) that the contribution be subject to the condition that the funds would be spent on equipment for a section of the school which would be identified with Canada, and that the equipment would be purchased in Canada to the extent that it was available and competitive in price and,

(c) that the leader of the Canadian delegation at the current Colombo Plan meetings in Wellington, New Zealand, be authorized to announce the terms of the assistance at the Wellington meetings or during his visit to Singapore in mid December.

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3^e^ PARTIE/PART 3

RELATIONS AVEC DES PAYS PARTICULIERS
RELATIONS WITH INDIVIDUAL COUNTRIES

SECTION A

INDE
INDIA

SUBDIVISION I/SUB-SECTION I

VISITE DU PREMIER MINISTRE À OTTAWA, 21-23 DÉCEMBRE 1956
VISIT OF PRIME MINISTER TO OTTAWA, DECEMBER 21-23, 1956

691.

Extrait du cahier d'information produit à l'occasion de la visite de M. Nehru

Extract from the Nehru Visit Briefing Book

[Ottawa], December 14, 1956

PREFACE

Looking at the world situation from New Delhi during the last week of November, 1956, there appear to be three urgent objectives of Western policy. The first is to repair the damage to the North Atlantic Alliance. The second is to repair the damage to the Commonwealth. The third is not only to close the breach between the Afro-Asian world and the West but also to take steps which might in time lead to a common front against Russia and China of the West and the Afro-Asian countries.

2. To the West and to Canada as a member of the West it is essential that all three objectives be attained. It would be neither wise nor prudent to concentrate on the attainment of one to the exclusion of the other two.

3. If, for example, our efforts were to be concentrated on the aim of repairing the North Atlantic Alliance to the exclusion of the other two objectives we might find in less than ten years' time that the Western world had been reduced to a comparatively small territory consisting of a tiny peninsula at the west of the huge Afro-Eurasian land mass, plus North America, Australia, New Zealand and possibly some parts of Central and South America. Indeed in such circumstances North America might not be able to hold even a bridgehead on the continent of Europe.

4. Too close a concentration on repairing the damage to the Commonwealth might result in the adoption of policies which might impede the development of increasingly friendlier relations between India and the United States and this would militate against the attainment of the other two of our three urgent objectives of policy.

5. Similarly, a concentration on the closing of the breach between the Afro-Asian world and the West could result in the United States demanding such sacrifices from its western European allies that the North Atlantic Alliance would be irretrievably weakened.

6. The arguments in a commentary prepared in New Delhi necessarily reflect the atmosphere here. The recommendations in the commentary are directed mainly, therefore, to measures which, in my opinion, are likely to result in a closer union between India and the West and particularly between India and Canada.

7. This commentary is not, of course, the kind of considered careful appreciation which a large Embassy might be able to prepare over a period of many months. The Commentary is based almost entirely on the telegrams and despatches which we have sent from here during the month of November.

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8. The commentary is concerned with the meaning of the tragic events of November, 1956, and the opportunities and perils they offer to the Western world. It contains recommendations on how Canada, as a member of the Western world, might help its friends and allies to avert the perils and grasp the opportunities.

ESCOTT REID

SECTION 1

CANADA'S POSITION IN INDIA

1. In the years 1943, 1944 and 1945, when the post-war world was beginning to take shape and the international post-war agencies were being created, Canada found itself playing the role of one of the Western Big Three.

2. From Delhi it looks as if the pattern is repeating itself thirteen years later. Once again Canada seems to have been as much pushed by events as by itself to the forefront. Indeed, this time Canada's influence and importance in the Councils of the West may be exceeded only by that of the United States.

3. Mr. Nehru has a very great respect for the Prime Minister and Mr. Pearson. He trusts the judgment of both. He looks on both with something close to affection. He considers, to use his highest term of praise, that Canada is "a good country" and the Prime Minister and Mr. Pearson "good men".

4. In the nine years since Independence, the strongest link between India and the West has been India's friendship for Great Britain and its respect for the information and the judgment of the Foreign Office and the integrity, the moderation, the sympathy and understanding for India of British Governments whether Conservative or Labour. That has gone now. It will be a long time before confidence is restored.

5. No leader of Western Europe is close to Mr. Nehru. This is true of Mr. Spaak of Belgium and Mr. Martino of Italy, not to mention the Prime Ministers and Foreign Ministers of Norway and Sweden. Moreover, Mr. Krishna Menon has poisoned Mr. Nehru's mind against Mr. Hammarskjöld. Mr. Nehru considers that the Prime Ministers of Australia and New Zealand do not belong in the twentieth century.

6. The result is that there are now, so far as I can see, only three Western statesmen in whom Mr. Nehru has real confidence: President Eisenhower, Mr. St. Laurent and Mr. Pearson. He might indeed say that these are "the three wise men of the West". His confidence in these three has been immeasurably strengthened by their behaviour during the continuing and mounting crisis of the past four months. When he visits North America in December, he will be talking to the only three Western World statesmen in whom he has real confidence.

7. A great responsibility rests, therefore, on the Indian diplomatic missions in Washington and Ottawa and on the diplomatic missions in New Delhi of the United States and Canada. Unfortunately the Indian Ambassador in Washington has not Mr. Nehru's full confidence and, in any event, he is retiring soon. The Indian High Commissioner in Ottawa is regarded by Mr. Pillai, the Secretary-General of the External Affairs Ministry, with something close to contempt. Mr. Pillai could reflect Mr. Nehru's attitude. The United States Embassy in New Delhi has been without an Ambassador for nine months.

8. Mr. Malcolm MacDonald considers, I think rightly, that there is nothing of importance directly related to the present international crisis which he, as the representative of Great Britain, can now wisely or usefully discuss with Mr. Nehru. The result is that I now find myself in the position in New Delhi where I seem, for the moment, to be the only Western diplomat who is in a position to influence Mr. Nehru's general approach to the crisis.

9. The situation is further complicated because Mr. Pillai, the Secretary-General, who must always be conscious of Mr. Krishna Menon's intrigues against him, says that Mr. Malcolm MacDonald and I are the only two diplomats here to whom he can open his mind and of the two of us, he says he can speak more freely to me.

10. In a period of international crisis such a situation imposes an inappropriate responsibility on the shoulders of the representative of a middle power. The sooner it is ended the better for all concerned. What is required is a long-term, not just a short-term remedy.

11. If Russia should withdraw from Hungary and permit the establishment of independent régimes in Eastern Europe, Mr. Nehru and India will probably consider the Russian aggression against Hungary as a temporary aberration in the same way as we hope they will ultimately come to regard the Anglo-French aggression against Egypt. But if Russia does not act in this way, there is a good chance that wise action by the West over the next four years will result in the Western world and India gradually becoming more and more closely associated in a common effort to restrain the imperialist and expansionist ambitions of Russia and China.

12. The attainment of this objective can be much assisted by a wise and restrained diplomatic campaign by the West. The moderation of the campaign will not mean, however, that it must be conducted solely on the intellectual plane. The first battle of the campaign must be fought on the field of emotion; it must seek to win the citadel of Indian opinion by appealing first to the imagination and the conscience. Only when the governing class in India has been roused by emotion will the scales drop from their eyes for a closer look at the brutal truth of Russian rule. Their minds must thus be stirred and strengthened for the arduous task of intellectual adjustment which will have to precede full alignment with the West. The Western campaign will possibly be a four year struggle, and the Western World should man its outposts in Delhi accordingly.

13. The United States should, for example appoint as Ambassador to India a first rate man who is prepared to stay here for four or five years; who will not hope for early or easy victories; who will neither expect nor want publicity; and who is the kind of American most likely to get on with Mr. Nehru.

14. The United States must not treat its representation in Delhi during the second four years of the Eisenhower Administration as it has treated it during the first four years, when a Chargé has been in command more than half the time.

15. This outpost of the West in New Delhi should be manned for a long campaign. Perhaps it won't take four years to win India to our side against Russia and Chinese expansionist imperialism. It depends on the degree of wisdom, strength and patience — and silence — that the West is able to display in its relations with India even though

Mr. Nehru and his associates will undoubtedly continue to say and do things which will exasperate us. It also, of course, depends on how far Russia and China play into our hands. But it would be unwise for the West not to plan on a four year campaign in India. It will be a campaign in which we must not allow ourselves to be undully elated over victories in a single engagement nor unduly depressed over reverses. It will be a campaign in which the direct national interests of Canada will coincide with the general interests of the West.

SECTION II

A FRESH APPRAISAL OF CANADA'S NATIONAL INTERESTS IN INDO-CANADIAN RELATIONS

16. The forthcoming visit of Mr. Nehru and Mr. Pillai to Canada makes desirable a searching re-examination of the nature and extent of Canada's direct, immediate and selfish national interests in India. Such a re-examination could provide the basis for a Canadian foreign policy and diplomacy on matters relating to India which would be best calculated to serve the interests of the Canadian people during the next decade of international crisis.

17. India is the world's most populous democracy, the best administered country of any size in Asia, and the most economically progressive state in uncommitted Afro-Asia. Although India is bedevilled by strong divisive forces, the general belief of Indians that economic conditions are improving and are likely to continue to improve, strengthens the forces of Indian national unity against these disruptive influences.

18. Mr. Nehru, himself, is also a great prop to the forces of national unity. He may well remain Prime Minister for another seven to ten years. For the people of India he is a George Washington, a Lincoln and an Eisenhower rolled into one: Washington because he was the leader of the revolutionary struggle for independence, Lincoln because he has the moral appeal of a tormented and sensitive mind; Eisenhower because he is the father of his people.

19. India is already an important industrial power. In another ten or fifteen years its steel production will probably be about twenty million tons a year. This will be much the cheapest steel in the world. It will provide a solid basis for a massive industrial development in India.

20. China and India are the only two possible leaders of the Afro-Asian group of nations. As goes India, so goes virtually all the rest of the non-Communist Afro-Asian group.

21. India belongs to the alliance potential of the West because of its history, its traditions and its interests. India is large enough, strong enough, united enough, and has sufficiently good leadership to be a subject of foreign policy not just an object, as are most of the countries of the Middle East and South and South-East Asia.

22. From this it follows that, for the West, India is the key to the whole of non-Communist Asia between Turkey and Japan. This means that the West will be pursuing its own interests if, over the next four years or so, it devotes to wooing India more resources of thought and of money than to all the rest of non-Communist Asia combined. This will not be a crusade for some quixotic goal, but a shrewd campaign based on hard facts.

23. The stakes for the West are high. If India goes the wrong way, events could be set in train which could result, in ten or fifteen years time, in the West being driven back to a fortress consisting only of a small peninsula at the Western tip of the Afro-Eurasian land mass, North America and possibly Central and South America. This is the goal of Russian

and Chinese policy. This is why they devote so much thought and planning to their campaign in India.

24. Canada's direct, immediate and selfish national interests are served by a Canadian foreign policy and diplomacy in relation to India which are best calculated to promote the direct, immediate and selfish national interests of the West — political, economic and strategic.

25. One conclusion to be drawn from this analysis is the necessity of keeping a sense of proportion. We should be on the side of the big battalions if we want the big battalions on our side. In terms of our direct national interests, India, because of itself and of its influence, is more important to us than fifty South Africa's or Portugal's.

26. Moreover, realistic foreign policy is not unlike realistic domestic party politics. Realistic politicians do not disburse much patronage or public works to safe constituencies. They have them in the bag anyway. They disburse none to hopeless constituencies. Durable politicians give most of their favours to doubtful constituencies.

27. Portugal and white South Africa are in a sense safe constituencies for the West. India is a doubtful constituency. Pressure on Portugal to transfer Goa to India, participation in a drive at the United Nations against the evils of apartheid in South Africa, would pay large profits in terms of Canadian national interests.

28. Similar reasoning applies to Canada lending its efforts to those of the United States to persuade, cajole, bribe and bully the United Kingdom, France, Belgium and Portugal to put all their non-self-governing territories in Africa under the trusteeship system of the United Nations, and to give unconditional pledges to grant these territories independence in periods ranging from a few years to twenty years, depending on their state of development. Recent events have speeded up the decline of the power of the United Kingdom and the other colonial powers. They certainly cannot afford any more expensive "dirty wars" in their colonies. Nor can the United States and Canada afford to let them fight hopeless colonial wars. These wars weaken the colonial powers too much and they weaken the West too much in India and in the other uncommitted Afro-Asian countries.

29. The failure of the West to adjust its relations with China to the realities of the existing situation is defensible now only on the assumption that the interests of the West as a whole would be put in greater jeopardy by a violent reaction in the United States than they would be by a continuance of present Western policy. Is this assumption not fast becoming unrealistic? I suggest that a careful weighing of direct selfish interests of the West would result in our finding that the risks of not acting realistically with respect to China sometime in 1957 are probably in the order of magnitude of five times greater than the risks of acting.

30. The application to the Commonwealth of the analysis of direct, immediate national interests discloses that for Canada the Commonwealth is a method of keeping countries such as India as potential allies and of turning potential allies into real allies. This it does by the well-tried methods of exchanging information on international developments, consulting on foreign policy, and co-operating wherever possible in pursuing specific agreed objectives in foreign policy. Hitherto the United Kingdom has used these methods to its own advantage more efficiently than we, or indeed other members of the Commonwealth, have. Has not the time come for Canada to use these methods? Has not the time come for Canada to move away from the concept of a Commonwealth divided between the old and the new members, with all that connotes?

. . . .

31. I know that the kind of policies set forth above could not wisely be carried out by a Canadian Government unless the Government were able to secure the support of the great bulk of the Canadian people in all sections of Canada. I know also that the task of securing such general support would be arduous. But Mr. St. Laurent and Mr. Pearson were able, in 1948, to rally the people of Canada to what Mr. St. Laurent then called a "crusade" for the North Atlantic Treaty. The wholehearted acceptance by the people of Canada of the kind of policies outlined above would constitute no greater revolution in Canadian foreign policy than the acceptance by Canada in 1948 of the North Atlantic Treaty.

SECTION III

THE POSSIBLE LONGER-RUN EFFECTS IN INDIA OF EVENTS IN EGYPT AND HUNGARY

32. Forces have been set in motion in India which, if the West acts with wisdom, could lead first to a decision by Mr. Nehru that Russia is a brutal, dangerous, imperialist power and then, under Mr. Nehru's leadership, to a similar decision by the great mass of Indian opinion. Such a decision could provide the foundation on which might be built in the course of the next few years a union of hearts between the West and India.

33. There is no precise parallel that I can recall in recent Western history to the kind of struggle for their allegiance which is now going on within the minds and hearts of Indians. The closest parallels are perhaps the most obvious, the United States from 1914 to 1917 and from 1939 to Pearl Harbour.

34. In 1914 and 1915 Woodrow Wilson, the great idealist and liberal, the self-appointed voice of the world's conscience, kept reiterating in public that there was no moral difference between the two sides. It was not until the war had gone on for two and a half years that the majority of the people of the United States could be brought to see where their national interests lay.

35. An even closer parallel is the situation in the United States at the time of the collapse of France in June, 1940 when it looked, or so it seemed to those of us who were then in Washington, that the British Isles were about to be occupied. Mr. Roosevelt and his closest associates struggled then against the obvious conclusion that sooner or later the United States would have to embark on war against Germany, and the sooner the better. Slowly, agonizingly slowly to us who were fighting, Mr. Roosevelt's mind first moved to a grudging acceptance of the inevitability of full American belligerency. Then he pushed the United States inch by inch into the war, being careful as he might have said, to "baby" the American people along and never to get out too far in front of them.

36. In this painful period the Western belligerents under the leadership of Mr. Churchill and with their chief spokesman in Washington, first Lord Lothian and then Lord Halifax, were on the whole wise in their dealing with Mr. Roosevelt and the United States. They were impatient with Mr. Roosevelt's failure to comprehend the magnitude of the clear and present danger which the disaster of June, 1940 created for the United States.

37. I remember vividly a long private talk I had with Lord Lothian on one of the worst days of July, 1940. I remember his controlled, but passionate and bitter impatience with the United States. He displayed this in private to carefully selected American politicians, officials and newspapermen but, so far as I can recall, he never displayed it in public.

38. The impatience of the Western belligerents in June and July of 1940 turned to something close to contempt three months later when Mr. Roosevelt in his election campaign promised the "mothers of American boys" that never, never, never, would their boys fight

in foreign wars. When Mr. Roosevelt was re-elected there was then the long, painful delay before Lend-Lease was conceived and born.

39. Though the Western Governments were constantly impatient of the United States and sometimes contemptuous, they rightly controlled in public any demonstration of their impatience and their contempt, and they pitched their demands low, adjusting them to what the market would bear. Thus Mr. Churchill in 1941 did not ask for American belligerency, but preached on the text, "Give us the tools and we will finish the job". He knew this would eventually lead to American belligerency.

40. Our argument in 1939 and 1940 was, as I recall it: "The American democracy is wise and sound. We know that it will discover for itself where the national interests of the United States lie. We can only pray it will discover this before it is too late for the United States and for us. But if we try to interfere publicly to speed up this process, we will defeat our own ends."

41. Mr. Nehru, in November and December of 1956, is going through an even worse crisis than that which Mr. Roosevelt went through in June and July of 1940, when he must have known in his heart of hearts that his world had crashed about his ears but he refused to acknowledge it. In November, 1956, Mr. Nehru's world crashed about his ears. In the preceding two months he had suffered shock, pain, anger, because of his belief that Great Britain by its statements and threats and actions which followed Mr. Nasser's nationalization of the Suez Canal, had betrayed its great traditions which are also his traditions. He was encouraged, however, from what seemed at the end of October to be the successful advance of freedom in Poland and Hungary. He must have thought that this demonstrated how right he had been in contending for the past two years that a deep and strong current of liberalization was flowing in Russia; that not only was freedom growing in Russia but that the Russian satellite empire was changing before our eyes into a Soviet Commonwealth of Nations; that this meant that gradually the barriers of fear and hatred between Russia and the West could come down.

42. Then came, early in November, the shock of the barbarous Soviet repression of the Hungarian Revolution. Since then Mr. Nehru has been struggling against recognizing the manifest fact that the Soviet Union has been demonstrated in Hungary to be a treacherous, ruthless, imperialist power, and that the Russia of Mr. Khrushchev and Mr. Bulganin is "the smiler with the knife".

43. Mr. Nehru has been inclined to clutch at any straw in an effort not to recognize this fact. He knows in his heart of hearts that once he does recognize it, he must acknowledge that his world has come crashing down about his ears, and that he must establish Indian foreign policy on a new foundation.

44. In Mr. Nehru's period of torment we in the West must in our own interests display to him the affection, the understanding, the patience — and the firmness in private — which Mr. Churchill and Lord Lothian and Lord Halifax displayed to Mr. Roosevelt, not only in the summer of 1940 but in all the weary months that followed until Pearl Harbour.

45. We must not in the weeks and months ahead try too obviously or too hard to press Mr. Nehru and India. We must give Mr. Nehru time to fight through his own crisis of conscience and we must not expect, though we can pray for, a sudden light on the road to Damascus. Once Mr. Nehru is converted we must give him time to "baby" his people along. We must realize he cannot — he must not — get too far out in advance of his own people.

46. Mr. Roosevelt in 1939 and 1940 and 1941 had ancient grudges and ancient ghosts in the United States to contend against — George III, the famine of the forties in Ireland, the

Boer War, the myth that America had been dragged into war in 1917 by the makers of munitions, the picture in the minds of most Americans of England and France as Machiavellian imperialist powers.

47. Mr. Nehru has grudges to contend with in his own heart and in the heart of India which are much more ancient and much more deep-rooted. His path is beset with many more ghosts. His mind is receptive to visual impressions of imperialism and aggression in Egypt. Even if his mind were to receive equally clear visual impressions of imperialism and aggression in Hungary, his mind would do its best to reject those impressions as false to reality.

48. Mr. Nehru subconsciously must know that if he permits his mind to see through a clear eye what is happening in Hungary, his ranging imagination will be stirred by the gallantry of the Hungarian rebels and he will begin to feel not only for them but with them. Being a sensitive man, once he begins to feel for them and with them he will begin to feel a nauseating revulsion against the brutality and treachery of the Russians. From that point on, the barriers which prevent him from bringing his subtle and powerful mind to bear on the far-reaching and distasteful implications for India of what has been happening in Hungary will begin to come down. Once these barriers begin to come down the game in India can be won by the West — if we play our cards well.

49. It is the martyrdom of Hungary which can win India to our side. We must keep the spotlight turned on Hungary. We must discreetly help Mr. Nehru and India to find out for themselves what is really happening there and to see the barbarity of Russia in all its horror. We must help Mr. Nehru and India to see the courage of an old and honourable European nation. First to see their courage, then to mourn over their dead, then to glorify these men whose struggle for national freedom against hopeless odds deserves the tribute of good men everywhere and particularly of the leaders of India who themselves fought for years for national freedom. We must, in company with India, work our way through to the correct answers to the question, "What has happened to what we both had thought was a solidly based trend to liberalization within Russia and in Russia's relations with Eastern Europe and with us?"

50. We must not lecture India, but we should say that we too were fooled about Russia. We must not conduct open propaganda in India. We must in private share with Mr. Nehru our fears, our thoughts, our hopes and our despairs.

51. We have now for the first time since the war a chance to win Mr. Nehru completely to our side. If we win him he can bring along first the educated governing class in India, and then the mass of the people. India's example can be contagious in the rest of non-Communist Asia and Africa. And we need the friendship, the support, the resources and the wisdom of these peoples if we have to face indefinitely, in an age of intercontinental ballistic missiles with nuclear warheads, the implacable hostility of a Russia prepared to subdue by terror all liberal movements wherever the power of its armed forces extends.

52. If we win the full support of the Afro-Asian countries, this would mean that the whole world, apart from China, would be ranged against Russia. This might eventually be sufficient to tip the scales in Moscow between the two groups contending for power there. This might result in the more moderate group being able in the end to defeat the army and the Stalinists and to force the adoption of a policy which might lead to the withdrawal of all Soviet troops from Europe, to the establishment in Eastern Europe of independent governments, and to increased liberalization within the Soviet Union.

53. There is no inexorable destiny about mankind. If we in the West are evil or stupid, the trends which I see in India can be reversed. If we are wise and good, we can create a union of hearts between ourselves and India much earlier than I now dare hope.

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692. DEA/50349-1-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM GG-26 Ottawa, December 24, 1956

SECRET. IMPORTANT.

Repeat Washington, Delhi, Candel New York, Paris and NATO (Important).

MR. NEHRU'S VISIT

Prime Minister Nehru spent over two hours with Minister on December 23. He was relaxed, forthcoming and showed more than his usual interest in day to day problems. The main topics of discussion are reported under the following headings:

NATO

2. Mr Pearson opened the discussions by referring to the recent NATO ministerial meeting and more specifically to the report of the Committee of Three and the problem raised by the German representative of the impact of the events in Hungary and the danger for the whole alliance of a possible uprising in East Germany. Mr. Nehru showed some interest in the report of the Committee of Three but made no comment of substance.

Commonwealth

3. Mr. Pearson referred to the statement he had made a few days ago to the effect that if fighting had gone on in Egypt the Commonwealth would not have resisted much longer and explained that what he had in mind in making this statement was that the pressures to leave the Commonwealth were great at that time particularly among the Asian members.[41] Mr. Nehru replied that he agreed fully with this interpretation and said that the situation in India was such at that time that the government would have been acclaimed had it given any indication that it was contemplating withdrawing from the Commonwealth. He pointed out that the Pakistanis were quite eager to know what decision the Indians were to take in this respect so as not to be left behind in the event that Delhi would decide to withdraw. (In a broadcast Prime Minister Nehru developed the theme that the idea of the Commonwealth might well be expanded to cover all countries in the world and referred to a "Commonwealth way" of peaceful cooperation and co-existence despite differences.)[42]

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[41] Voir Canada, Chambre des Communes, *Débats*, 4^e Session (Spéciale) 1956-57, p. 63.
See Canada, House of Commons, *Debates*, 4th Session (Special) 1956-57, p. 60.

[42] Voir Canada, ministère des Affaires extérieures, *Affaires Extérieures*, vol. 9, N^o 1, janvier 1957, pp. 18-20.
See Canada, Department of External Affairs, *External Affairs*, Vol. 9, No. 1, January 1957, pp. 18-20.

China

4. Mr. Nehru referred to the discussions he had had with President Eisenhower and Secretary of State Dulles on the relations between the United States of America and Communist China.[43] He also referred to the conversations he had with Chou En-Lai prior to his departure for North America. Chou En-Lai had complained to him that the Americans had been slow in their reactions to follow up the release of United States prisoners. The President had taken the line that at this stage he could not go any faster in view of the fact that while the public in the United States had pretty well forgotten the miseries of the Second World War their recollections of the Korean War were still vivid and could not yet be discounted. He and the President had agreed that possibly the best course of action would be try to obtain the release of the remaining U.S.A. citizens now held in China. In turn, the State Department would then lift the embargo on visas for United States newspapermen wishing to visit China. Further contacts between Peking and Washington would be made easier if United States correspondents were given full freedom to report and reported favourably on conditions in China. Mr. Nehru pointed out that there were still some minor difficulties in facilitating the return to the mainland of Chinese in the United States. When pressed by Mr. Pearson he had to admit that those difficulties were "very minor indeed".

5. Mr. Pearson then said that we might be confronted with a pretty serious crisis next year when the question of the admission of Communist China to the United Nations would be raised since more and more member countries seemed to favour the admission of Peking and that this issue was naturally extremely complex in view of the future status of Formosa. Mr. Nehru replied that in his recent talks with Chou En-Lai he had been surprised to find that the Communist leader, contrary to what had happened two years ago, had spent very little time discussing the future of Formosa. In Mr. Nehru's view the problem, as time goes by, is coming closer to what he calls "a natural solution" whereby certain elements in Formosa will show more and more interest, under certain conditions in joining the mainland.

Visit of President Eisenhower to India

6. Mr. Nehru said that he had extended an invitation to the President who told him that he was keen to go to India. No definite dates had been set but reference was made to October or November of next year. Mr. Nehru added that while he had come to visit the President of the United States he wished the President to visit India and see its peoples.

Middle East

7. Most of the discussions centered around the Middle East and here Mr. Nehru set the present problems and difficulties of the region in an historical perspective covering the last fifty years. He developed his well-known theme that the colonial powers particularly the United Kingdom did not have an enviable record in that part of the world and that their policy until the Suez Canal crisis even on petty issues had been erratic. One of the main factors of imbalance in his view was that whatever economic assistance was given mostly through oil royalties fell in the hands of feudal despots who did nothing to increase the well-being of their peoples. The result was that the colonial powers were linked with reactionary elements throughout the Arab world. This greatly facilitated the task of the Soviet Union which in every country became the champion of the "underdog". Of late the situation had been further complicated by the differences which arose mostly over oil concessions between Washington and London. Mr. Nehru said that he knew most of the leaders of

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[43] Voir/See United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume VIII, Washington D.C.: United States Government Printing Office, 1987, pp. 329-340.

the region and did not have a high regard for them. He did, however, make exception for Nasser whom he considered to be honest and eager to accept advice, though somewhat naive. What impressed him most in the whole Arab world was "a lack of vitality". There were no real leaders, no intelligentsia, no organized cadres. Nasser himself did not know where to start in his endeavour to build up a more solid foundation for his régime. He could only rely on the army and his honesty. Oddly enough the only ray of hope for the future seemed to be in Morocco and Tunisia, particularly Tunisia, where the French notwithstanding their many faults had at least created fairly satisfactory conditions for intellectual development among the elite. He had great respect for Bourguiba.

8. Mostly because of the bitterness engendered by recent Anglo-French-Israeli intervention in Egypt Mr. Nehru did not believe that the time was right for a discussion of all outstanding issues. He thought that the questions should be taken in turn and that the settlement of the clearance of the Suez Canal and the future of the canal should be well underway before negotiations leading to a political settlement were undertaken. Mr. Pearson suggested that possibly India could play a very important role in bringing the parties more closely together. Mr. Nehru's reply seemed to be more forthcoming than the attitude he took in Washington as reported in Washington telegram No. 2355 of December 21.† He volunteered the information that he had already instructed Krishna Menon to go to Cairo and discuss the whole problem with President Nasser. He agreed that India might be able to do something in this field without too much fuss and did not demure when Mr. Pearson suggested that India might accept the role of mediator. What he may have had in mind however, at this stage at least, is to use his good offices in a very unobtrusive way. Whether or not he would agree to a more conspicuous role if entrusted to do so by the General Assembly is still unclear.

9. On the future of UNEF Mr. Nehru refused to be drawn out altogether. Mr. Pearson pointed out the seriousness of the situation if for one reason or another the force were to collapse.

Indochina

10. On Vietnam Mr. Nehru was rather lapidary: in his view the parties have reached a permanent state of deadlock.

11. During my conversation with Pillai I left with him a memorandum giving the arguments why in our view the Commission in Cambodia should be wound up at an early date.[44] The Minister made the same points with Mr. Nehru but did not get any comment. Mr. Nehru was pretty exercised over the situation created in Cambodia by the thousands of refugees from South Vietnam which the Cambodian Government had to feed and house. He had advised the Cambodians to force them back into South Vietnam but was told that if they returned they would be slaughtered.

12. It should not be expected that rapid progress will be made in the winding up of the Commission in Cambodia as a result of the discussion between Mr. Nehru and Mr. Pearson. The Indian Government however is now seized once more and Pillai admitted quite frankly to me that the memorandum left with him would be discussed with Krishna Menon who "was the expert in the matter".

13. Mr. Nehru said that he had taken up with President Eisenhower and Secretary of State Dulles the question of integration of the Pathet Lao into the Laotian Government. He was quite exercised over the fact that the Americans seemed to have signified to the Laotian

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[44] Voir Volume 23, Chapitre 4, 1ère partie, section C.
See Volume 23, Chapter 4, Part 1, Section C.

Government that they would withdraw all their economic support in the event that important portfolios would be given to the Pathet Lao. Mr. Nehru said that he was quite familiar with this threat since the Laotians had asked India if they could provide them with "something like 28 million dollars" in the event that economic aid from the United States were stopped. Mr. Nehru had told the Americans that what might very well happen were they to take such a drastic step would be that the Laotians would turn to the Chinese, a situation which he was sure Washington would not welcome. He thought that this had made some impression on Mr. Dulles and that they would reconsider the matter. In his view an easy solution would be for the Americans to agree that Prince Souvannavong be appointed Deputy Prime Minister.

14. During his stay in Ottawa Mr. Nehru had a lengthy conversation with the Prime Minister on which we have no report and also spent an hour or so with a few Cabinet Ministers. We will be sending you a report on this the moment it becomes available.[45]

[J.] LÉGER

SUBDIVISION II/SUB-SECTION II

IMMIGRATION

693. PCO

Note du secrétaire d'État par intérim aux Affaires extérieures pour le Cabinet

Memorandum from Acting Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT NO 93-57 Ottawa, April 24, 1957

CONFIDENTIAL

PROPOSED AMENDMENT TO THE IMMIGRATION AGREEMENT WITH INDIA OF JANUARY 26, 1951[46]

Pursuant to approval by Cabinet on August 9, 1956 of a recommendation by the Minister of Citizenship and Immigration that discussions be held with the Indian Government with a view to increasing the quota of immigrants admissible to Canada from India, the High Commissioner for Canada in New Delhi conducted negotiations with the Government of India and a figure of 300 persons, double the present quota of 150 persons, was agreed upon. It was also agreed that the quota figure of 300 persons would be equally divided between relatives of residents of Canada (other than close relatives admissible under the Regulations), who would be sponsored by the relatives in Canada, and persons applying for permanent admission from India without sponsorship.

In an effort to counteract claims of discrimination by the Indian Government and by East Indian groups in Canada arising from the inclusion of most Asian and African countries, including India, under Section 20(d) of the Immigration Regulations which is a less favourable category with regards to the admission of relatives than Section 20(c) which applies to all countries of Europe and the Americas, and, in addition, includes Turkey, Lebanon, Israel and Egypt, it was considered desirable to change the form of the Agreement to show that the same classes of relatives were admissible to Canada under the Agreement as if India were included under Section 20(c). The fact is even wider classes are eligible for admission under the Agreement but they are limited by a quota, whereas the countries affected by 20(c) have no quota limitation. The effort to eliminate appearances of discrimination against India has necessitated the amendment of the 1951 Agreement by the revocation of the four operative paragraphs (Annex A) and their replacement with six paragraphs (Annex B). However, the only substantive changes in the amending Agreement are the doubling of the quota and the designation of one-half the quota for sponsored cases and one-half for unsponsored cases.

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[45] Il n'a pas été possible de trouver un compte rendu des discussions entre M. Nehru et le premier ministre Saint-Laurent.

A report on Nehru's discussion with Prime Minister St. Laurent was not located.

[46] Voir/See Volume 17, Document 594.

The undersigned has the honour to recommend, therefore, with the concurrence of the Minister of Citizenship and Immigration, that approval be given for amending the Immigration Agreement with India of January 26, 1951 as outlined above and that the High Commissioner for Canada to India, Mr. Escott Reid, be authorized to sign an Exchange of Notes on behalf of the Government of Canada with the Government of India to this effect.[47]

ROCH PINARD

[PIÈCE JOINTE 1/ENCLOSURE 1]

Annexe A

Annex A

OPERATIVE PARAGRAPHS OF IMMIGRATION AGREEMENT WITH INDIA OF JANUARY 26, 1951

(1) In the twelve month period commencing on the first day of January, 1951, and in each succeeding twelve month period thereafter, the admission to Canada for permanent residence of one hundred and fifty citizens of India, including both sexes and all ages, shall be authorized provided the immigrants comply with the provisions of the Canadian Immigration Act.

(2) In addition to the citizens of India whose entry to Canada for permanent residence is authorized in accordance with paragraph (1) above, a citizen of India who can otherwise comply with the provisions of the Canadian Immigration Act may be admitted to Canada for permanent residence if he or she is the husband, wife or unmarried child under twenty-one years of age of any Canadian citizen legally admitted to and resident in Canada and if the settlement arrangements in Canada are shown to the Canadian authorities to be satisfactory.

(3) The provisions of Canadian Order-in-Council P.C. 2115, dated the 16th day of September, 1930, as amended by Order-in-Council P.C. 6229 of the 28th day of December, 1950, shall not apply to citizens of India.

(4) The admission to Canada as non-immigrants of citizens of India shall not be affected by the preceding paragraphs.

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[47] Approuvé par le Cabinet le 25 avril 1957. Pour le texte de l'accord, voir Canada, *Recueil des traités*, 1957, N° 11.
Approved by Cabinet on April 25, 1957. For the text of the agreement, see Canada, *Treaty Series*, 1957, No. 11.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Annexe B

Annex B

OPERATIVE PARAGRAPHS OF PROPOSED AMENDMENT OF IMMIGRATION AGREEMENT WITH INDIA OF JANUARY 26, 1951

(1) In the twelve month period commencing on the first day of January, 1957 and in each succeeding twelve month period thereafter, the admission to Canada for permanent residence of 300 citizens of India, of both sexes and all ages, shall be authorized provided the immigrants comply with the provisions of the Canadian Immigration Act. Of these 300 immigrants, 150 will be preference quota immigrants.

(2) Any resident of Canada, whether or not he is a citizen of Canada, may support an application for admission to Canada as an immigrant of any citizen of India who is a resident of India and is his relative.

(3) Out of these applicants, those who are "close relatives" of Canadian citizens will be admissible to Canada as non-quota immigrants.

(4) Other relatives of Canadian citizens, and all relatives of residents in Canada other than citizens will be admissible as "preference-quota immigrants".

(5) A "relative" means the husband, wife, son, daughter, brother, sister (or the husband, wife or unmarried child under 21 years of age of any such son, daughter, brother, or sister), father, mother, grandparent, unmarried orphan nephew or niece under 21 years of age, fiancé or fiancée. A "close relative" means the husband, wife, unmarried child under 21 years of age, father over 65 years of age, or mother over 60 years of age.

(6) The admission to Canada of citizens of India as non-immigrants shall not be affected by the preceding paragraphs.

SECTION B

NOUVELLE ZÉLANDE : VISITE DU PREMIER MINISTRE À OTTAWA, 13-16 JUIN 1956

NEW ZEALAND: VISIT OF PRIME MINISTER TO OTTAWA, JUNE 13-16, 1956

694. DEA/11562-73-40

Projet d'une note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Draft Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], July 16, 1956

YOUR INTERVIEW IN OTTAWA ON JUNE 14 WITH THE PRIME MINISTER OF NEW ZEALAND

You will recall that no one from the Department was present at the meeting held in your office on Wednesday, June 14, with Mr. Holland. Mr. A.D. McIntosh, Secretary of the

New Zealand Department of External Affairs, who was present at the interview made available to us his own report, a copy of which I attach.[48]

This document is, of course, written from the New Zealand standpoint. During your absence at the NATO Meeting, and the Meeting of Commonwealth Prime Ministers, it was given limited circulation within the Department and a number of Divisions have expressed the hope that it might be made available on a "Canadian Eyes Only" basis to certain of our missions abroad.

I should be grateful for your comments as to the accuracy of Mr. McIntosh's report of the interview, and also for your opinion as to whether it would be an appropriate document to circulate to our missions abroad on a "Canadian Eyes Only" basis, particularly to those missions concerned with the problem of the recognition of Communist China.

J. L[ÉGER]

P.S. I should add that the document was circulated within the Department minus the first page.

[PIÈCE JOINTE/ENCLOSURE]

Rapport[49]

Report[49]

SECRET

June 14, 1956

The Prime Minister, accompanied by the High Commissioner and Mr. McIntosh, called on Mr. Lester Pearson at 3 o'clock on Wednesday afternoon. The discussion began with a description by Mr. Pearson of the pipeline debate. The pipeline was designed to convey from Alberta to the Eastern provinces, and to the United States, some six hundred million cubic feet of gas per day. Canada was beginning to suffer from a shortage of electricity because the hydro electric facilities could not keep pace with the demand and the use of natural gas for cooking and heating would ease the load. About two-thirds of the gas would be used in Canada, especially North-Western Ontario, and the other two hundred million cubic feet per day would be sold in the United States in pipelines going down as far south as Chicago and Illinois. Canada was lacking in convenient coal supplies and drew much of its needs from the United States — the natural gas would save coal imports and as a result the coal lobby in Congress has been active and instrumental apparently in holding up the finance necessary for the United States company constructing the pipeline.

The matter had, perhaps, not been handled as tactfully in the House as it might have been, but there were special circumstances contributing to an increasingly difficult situation. First of all, the only company which could undertake the task was an American one which was unable to arrange for the immediate finance because, owing to the failure on the part of some Congressional operation to be concluded in time, it did not have a suitable licence. Unless the work was started before the middle of June it could not be completed in

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[48] Les annotations suivantes figuraient dans la note d'accompagnement, dans laquelle on demandait la signature de M. Léger :

The following notes were on the covering memorandum requesting Léger's signature:

I have my doubts about giving any further circulation to this. J. L[éger]

In the circumstances, it is probably wiser to limit the circulation of this document to what it has already had. J.W. H[olmes]

[49] Note marginale :/Marginal Note:

Handed to me by Mr. A.D. McIntosh on June 15, 1956. G. McInnes time (presumably before the freeze began) and the company therefore said that they could only make a start if the Canadian Government would put up the initial finances before 6 June. The company undertook to repay the advance within ten months; if they failed to do so, then they would forfeit their interest, which would revert to the Canadian Government. Within the prescribed period the money would be forthcoming from the United States to enable them to repay the Canadian loan.

The Opposition knew the deadline and, politics being what it is, they naturally intended to take full advantage of the fact in order to embarrass the Government by holding up the project. Mr. Howe, being anxious to push along with the job and not hold things up, decided that there was no point in running the risk of needless delay and he bluntly said, in introducing the matter, that it would be pushed through and closure would be applied in order to make this possible. The Opposition immediately seized upon and exploited this blunt tactic. This difficult situation was rendered more so by a faulty ruling on the part of the Speaker. He unwisely allowed a debate on breach of privilege on an editorial which criticised himself. Being naturally irritated by its terms he allowed his judgment to be coloured to the extent of allowing to go on all night a procedural discussion which should have been settled by a ruling without any debate at all. The Cabinet were in despair over this. If Opposition members could take one leading article on a breach of privilege issue, the pipeline debate could be protracted indefinitely. The Speaker himself realised his error overnight and next morning he reversed his ruling, stating that he had made a mistake, and that everything that had occurred since 5 o'clock the previous night was null and void and that the debate proper should proceed as from that time. The Government had taken no steps whatever to influence his decision, but no-one would believe that.

The discussion then shifted to the international situation. Mr. Holland began by referring to the Singapore situation, outlining his discussions with David Marshall, and his impressions as to his personality and outlook, and invited Mr. Pearson to give his views. Mr. Pearson did not dissent from Mr. Holland's doubts as to the appropriateness of the Colonial Office's handling of the Singapore negotiations. They were not so skilled at handling this type of explosive political situation in terms of present day nationalistic development. Their approach tended to follow traditional Colonial Office lines. Mr. Pearson felt that their attitude would have been coloured by the fact that the United Kingdom was being knocked around in various parts of the world in a manner which evoked our strongest sympathy. He considered that Singapore by itself was not an entity sufficiently strong or viable to stand on its own. Its future obviously lay with Malaya, since the Malayans could, if they wished, develop an alternative outlet at Port Swettenham. Because Malaya was more important to Singapore than Singapore to Malaya, they could greatly reduce the bases of its prosperity.

The discussion then turned to the role of the local Chinese and their influence. Mr. Pearson agreed that Singapore as a base could very well become of little value if the local population were hostile. He agreed with Mr. Holland that this was a factor which any country had to take into account, and especially when such a country, like New Zealand which had troops stationed in Malaya, had a vital interest in the security of the area and had stationed their troops there. He said that the public of any country were tending to look twice at the practice and necessity of placing their forces overseas in peace time. He said this whole question of security of bases was becoming a matter of increasing importance, especially to the Americans. Mr. Pearson said that that morning the Defence Committee of the Cabinet had been considering a new development in connection with defence facilities in the Canadian north. He asked that the matter be kept especially secret since there had not been time to consult the rest of Cabinet. The Americans had put it to the Canadians that they wished for a very considerable strengthening of the air forces stationed on the DEW line.[50] They had said that they would be very happy if the Canadians could undertake the work and the stationing of the necessary squadrons there themselves, but if for financial reasons Canada did not feel able to do it, then they themselves were quite prepared to undertake the work and move in and carry it out immediately. But this matter of the Americans moving in to a foreign country always tended to stir up the local population and, moreover, the public of Canada would be a little nonplussed by the fact that Canadians were maintaining some 120 planes of the type required in Western Europe and 180 were required for this new project. It would be difficult to explain the retention of the Canadian forces in Europe while the larger American force moved into the northwest Yukon.[51] Moreover, the cost was very high; whereas Canada could afford 129 planes, costing [about $350,000][52] each, 180[53] was beyond their immediate resources. The essential need in stationing troops in foreign countries was, of course, to ensure that that country was stable and friendly, and that is why the Americans are tending to move nearer home. Reference was made to the Icelandic resolution and Mr. Holland commented that from what he had seen in Okinawa it could be taken as certain that the Americans would not get out of a place on which they had spent so much.

Mr. Pearson then turned to the value of Cyprus as a base. He shared the Prime Minister's doubts as to its usefulness in view of the hostility of the local population, and compared it with Singapore. He said that the Cyprus question was causing great concern among the Americans. Only last week Dulles had raised the matter with him and asked whether he could not do something with the United Kingdom Government to induce them to take a more reasonable line. Mr. Pearson had replied that it was very difficult for one of the Queen's Governments to advise another on a vital matter on which that Government felt so strongly. He said that he had found Sir Anthony Eden irrational and emotional on the issue of Cyprus. In his talks with the Russians, Eden had told then with great emphasis that Britain regarded Cyprus as a vital interest because of its connection with the Middle East and with oil, and that Britain would, if necessary, fight to maintain its position. Eden, in fact, is as emotional on the Cyprus issue as Nehru is on Kashmir. There seemed little possibility of getting him to discuss it dispassionately. He said he had been assured by the British that they expected to break the resistance in a few weeks, but he himself was doubtful whether this would be the case. He agreed with Mr. Holland that there might be some degree of British domestic politics in the handling of the affair. They had been determined to make a stand because they had been pushed around so badly in other places, especially in the Middle East. Mr. Pearson compared the attitude of the United Kingdom at the time of Munich. When they had failed to take a stand on Czechoslovakia there had been an immediate violent public reaction, and the British Government of the day had determined thereupon that they would make a firm stand on the next test issue, which was Poland.

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[50] L'expression « stationed on the DEW line » a été rayée par M. Barton, quil'a remplacée par : « stationed on the northern perimeter of the North American air defence combatzone ».
The phrase "stationed on the DEW line" was crossed out by Barton, who repaced it with "stationed on the northern perimeter of the North American air defence combat zone."

[51] L'expression « the northern Yukon » a été rayée par M. Barton, qui l'a remplacée par « Canada ».
The phrase "the northern Yukon" was crossed out by Barton, who replacedit with "Canada".

[52] Ce nombre a été ajouté par M. Barton.
This figure was added by Barton.

[53] Note marginale :/Marginal Note:

> of the supersonic interceptor now being developed, which could cost more than $1 million per aeroplane. [W.H. Barton]

Without, therefore, considering the practicability of their guarantee and the implications, they had, in 1939, had to go to war on the issue of Poland.

Mr. Pearson then referred to his discussions at the last NATO meeting with the Greek Foreign Minister, a very good man who had had to resign in the past few days. The Greek had expressed to him his great and growing concern at the deterioration in their relations with the United Kingdom. This was all the more unfortunate because the Greeks had the greatest respect for the British, to whom they owed so much — their liberation last century and their liberation again after the German invasion. He said that the Greeks would be willing to do anything they could to give the British all the base facilities they required, not only in Cyprus after it became self-governing, but, if necessary, in the Greek mainland itself. They would, if it helped matters, make the base problem one for NATO, if it was not possible to deal with the United Kingdom alone. He said it was unwise for the United Kingdom to maintain the view that the Cyprus question was no direct concern to the Greek people; this was simply not the way the Greeks felt about it. Mr. Holland wondered if the matter would be discussed in any definitive way at the London meeting, and he felt with Mr. Pearson that it was probable that the United Kingdom would not wish to have the matter determined as a result of any Commonwealth discussion unless that discussion resulted in decisions in favour of the United Kingdom attitude. Mr. Holland observed that it did not seem to him much use having such a discussion on a contentious issue like Cyprus if the United Kingdom were not prepared to listen and take heed of what people said if that other opinion was a contrary one. Mr. Pearson commented that the attitude seemed to be that the United Kingdom would listen if people were prepared to agree with them, but not otherwise. Mr. Holland felt that in that event there seemed to be no point in having the matter discussed at all and the conference might as well turn to some other subject.

The Prime Minister then referred to Japan and described briefly his impressions of the talks he had had with Japanese leaders. He emphasised that his interpretation of the Japanese situation was that they were desperately anxious for recognition and friendship. They had particularly stressed their desire to get into the United Nations. Mr. Pearson observed that as a result of the recent negotiations with Japan and Russia this seemed to be a distinct possibility. If the Japanese would make limited arrangements, it looked as if the Russians in turn would not veto their admission. It was true, on the other hand, that the Japanese, through Shigemitsu, the other day had stated they would not have anything to do with an Adenauer formula. Mr. Pearson agreed with the Prime Minister as to the desirability for maintaining a friendly attitude to the Japanese. He said that as far as Canada was concerned, Japan was now Canada's third largest customer and they were doing what they could to strengthen ties between the two countries.

On recognition of Communist China, Mr. Pearson said that the attitude in Canada amongst the people appeared to have changed during the past twelve months. There was not the same interest, and not the same popular feeling in favour of recognition. The Canadian Cabinet had discussed the matter and despite quite strong divisions they had come to the conclusion that for the time being they would do nothing about recognition at all, and certainly nothing until after the end of the year and the American elections. He himself, he said, had been in favour of recognition earlier, but he had no desire to cause serious upset with the Americans, and especially on a matter on which the Canadian public were no longer so vitally concerned. He referred to his recent conversations with President

Eisenhower,[54] who, normally the mildest of men, became as worked up and irrational over China as did Sir Anthony Eden over Cyprus or Nehru over Kashmir. The President used a phrase (normally favoured by Walter Robertson) "Chinese hands dripping with blood", and talked of what a terrible thing it would be if the Chinese were recognised and admitted to the United Nations.

Mr. Pearson referred to Mr. Eisenhower's recent statement on neutralism,[55] observing that it was a somewhat dangerous thing for the President to think aloud to a press conference. Mr. Eisenhower had been worried about the adverse attitude of Congress to appropriations for foreign aid, and particularly in relation to Yugoslavia. In order to try to get a modification of the Congressional attitude, he had tried to prepare the way for some revision of the mounting dislike for Tito on account of his Russian visit, and he had therefore suggested that neutralism was not necessarily a bad thing. This had resulted in a series of protests to Mr. Dulles from the diplomatic representatives of nations whom the United States had been courting and who had had great difficulty in persuading their own people to take the western line. Mr. Dulles, in order to try to correct the position, at Ames in Iowa over the last weekend, had made a statement in quite the opposite direction and had condemned neutralism as out of keeping with the times, and immoral.

In discussing the broadening of the basis of existing military pacts, Mr. Pearson said that he did not think that NATO was suitable for dealing with economic aid. Mr. Holland referred very briefly to the ideas he had been discussing with Mr. McIntosh on the general subject of economic aid, and a new approach to the problem of countering the new Communist tactics. It was emphasised that these views were only tentative, but New Zealand felt it appeared to be unsound now that the direct threat of military aggression had apparently receded, to maintain pacts like SEATO purely on military lines. Obviously military preparations were not sufficient to combat economic penetration and subversion. Mr. Pearson was fully in accord with this point of view. In the course of his comments he referred to the latest British proposals, which had followed their earlier suggestions for a secret meeting in Washington of the NATO powers plus Australia and New Zealand, to discuss meeting the new Soviet threat, especially in the Middle East. He said that Canada had put in a rather unsympathetic reply but that [a] new proposal had been made and it was possible that this new approach be linked up in some way with SUNFED. We explained that for our part we felt that the Colombo Plan fully extended our resources and we were reluctant to commit ourselves to further economic aid. During the course of a brief recital of the subjects which had to be studied for the Prime Ministers' meeting, Mr. Pearson said that his Prime Minister would probably be in favour of Commonwealth Prime Ministers' meetings being held in Commonwealth capitals other than London.

This is only a partial note. If time permits I shall dictate a further section and revise this draft before I leave Ottawa.[56]

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[54] Voir Volume 23, Chapitre premier, 1$^{\text{ère}}$ partie.
See Volume 23, Chapter 1, Part 1.

[55] Voir/See *Public Papers of the Presidents of the United States: Dwight D. Eisenhower 1956*, Washington D.C.: United States Government Printing Office, 1958, p. 555.

[56] Il n'a pas été possible de trouver d'autres rapports.
No other reports were located.

SECTION C

ROYAUME-UNI
UNITED KINGDOM

SUBDIVISION I/SUB-SECTION I

VISITE DU PREMIER MINISTRE À OTTAWA, 3-8 FÉVRIER 1956
VISIT OF PRIME MINISTER TO OTTAWA, FEBRUARY 3-8, 1956

695. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM K-222 Ottawa, February 7, 1956

SECRET. IMPORTANT.
Repeat London K-200; Paris K-108.

EDEN VISIT

Sir Harold Caccia and Evelyn Shuckburgh discussed Middle Eastern affairs with senior officials of the Department. They seemed gratified with the wide area of agreement which had been reached in their Washington conversations on these matters.[57] Since they confined themselves largely to an account of these talks, there does not seem much to tell the State Department.

2. Following is a summary of the points made by the United Kingdom officials:

Arab-Israeli Dispute

Reference was made to the means by which teeth could be put into the 1950 Tripartite Declaration to prevent a renewal of hostilities.[58] This would allow for swift action, if necessary, by the Three Powers concerned. On the question of policing the borders, it was recognized that there were practical difficulties in the way of putting an international force into Palestine. Furthermore, such action would probably be politically unwelcome both to the Arabs and the Israelis. A more feasible proposition seemed to be to increase General Burns' staff of observers, so that the truce supervision organization would be able to act more promptly when incidents occurred.

However, the essential problem was to get the Arab and Israeli Governments into negotiations for a settlement. To this end, it had been decided not to respond to Israel's request for large-scale armament to "balance" the Egyptian purchases from Soviet sources. In the circumstances this amounted to a policy of severe constraint upon Israel in order to induce the Israeli Government to make a settlement. It was realized that there was some danger in this of Israel's deciding to take extreme measures but, on balance, it seemed a better course than permitting an arms race. The great question was the assessment of the intentions of Colonel Nasser. He would have to be watched closely. There would be diplomatic and economic moves to keep him from going on the wrong side. If these failed, and it came to be clear that his ambitions ran counter to Western interests, then policy would have to be revised.

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[57] Voir/See United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume XII, Washington D.C.: United States Government Printing Office, 1991, pp. 243-244 and Volume XV, Washington D.C.: United States Government Printing Office, 1989, pp. 108-109.

[58] À la déclaration tripartite, voir volume 20, p. 1615, note 47.
On the Tripartite declaration, see Volume 20, p. 1615 *n*47.

Baghdad Pact

The United Kingdom intended to give strong support to the Pact as an encouragement to its friends in the Middle East but would not for the time being push Jordan to join. The United States was willing to give the Pact all support short of actually joining it. Opinion in Iraq in favour of the Pact was now more general than had been the case earlier, because of the benefits that had accrued to that country from membership.

Saudi Arabia

It was hoped that the Saudi Arabians would not take the Buraimi dispute to the United Nations, since in that event it would be necessary to oppose them adamantly and to make public the evidence of Saudi Arabian malpractices which had subverted the arbitration agreement. It was emphasized that to give in to King Saud over Buraimi would be fatal to the relationship of the United Kingdom with Persian Gulf sheikhdoms which control 30 percent of Middle Eastern oil. Loss of this oil would be crippling to the United Kingdom. There was thought to be no real clash of interests between Aramco and the Iraq petroleum company. The United Kingdom could not under any circumstances resume arbitration but the possibility was mentioned, however, of direct talks with Saudi Arabia.

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696. DEA/50359-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM K-237 Ottawa, February 9, 1956

SECRET. IMMEDIATE.

Repeat London K-217; CPDUN K-80; Paris K-123; NATO K-125; New Delhi K-118.

DISCUSSIONS WITH SIR ANTHONY EDEN AND MR. SELWYN LLOYD

The principal discussions with Mr. Eden and Mr. Lloyd took place on Tuesday, February 7. These were supplemented by talks between officials, by a discussion held in the Department with Mr. Lloyd and a press conference held by Sir Anthony Eden.

2. Except where otherwise specifically indicated this telegram is based upon the talks with Mr. St-Laurent and Mr. Pearson where the most important discussions naturally took place. We have already reported to you on the official discussions [on] IndoChina (telegrams Nos. Y-206 of February 7 and Y-[111] of February 8 to London);[59] the Middle East (telegram No. K-222 of February 7 to Washington); and Atomic Energy (telegram No. E-213 of February 6 to Washington).

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[59] Voir Volume 23, Chapitre 4, 1ère partie, section a.
See Volume 23, Chapter 4, Part 1, Section a.

Competitive Co-Existence

3. Sir Anthony Eden referred to fact that Canada and the Commonwealth seemed to get too little credit for their contribution to the Colombo Plan. He suggested that a Commonwealth report might be prepared along the lines of one put out by the International Bank. Mr. Pearson suggested that we might, as the Russians do, emphasize the contribution of certain projects rather than talk less concretely in terms of money value. He suggested that consideration might be given to a proposal whereby all countries involved in aid and assistance projects should clear their activities with the United Nations. This would be purely a clearing process and would not involve interference. The United Nations would issue a report each year and this might show up the small extent of the Soviet contribution. Sir Anthony Eden thought this might be a good idea but seemed more interested in a Commonwealth approach.

4. Mr. Pearson also wondered whether we might not alter the nature of our assistance to take the form of credits as the U.S.S.R. does. This might appeal to a sensitive underdeveloped country more than straight charity. There were, of course, difficulties involved in giving credits at rates different from those offered to other countries. Sir Leslie Rowan said it would be hard for the United Kingdom to adopt such a policy as these countries came to the London markets for loans. However, he knew the Americans were thinking along these lines and he thought it a very good idea if they and the Canadians could do it. Sir Anthony Eden agreed.

5. Mr. Lloyd made a somewhat unenthusiastic remark about SUNFED but the Minister said he thought we should take a fresh look at this project. We shall be communicating with you in greater detail when we have examined the implications of these proposals.

Middle East

6. Sir Anthony Eden began by saying that the situation did not look good. Mr. Lloyd was going to a Baghdad Pact meeting in about a month's time and en route would have a frank talk with Nasser. It was essential to find out what Nasser's intentions were. On the subject of "policing" the area, he had found considerable confusion among the newspapermen. All that the United Kingdom had in mind was a possible increase of the observer force taken from various members of the United Nations, including, of course, Canada. There was no question of Canada being asked to send forces comparable to those in Korea or Indo-China. At his press conference Sir Anthony had reiterated a number of times that it was a matter for the United Nations and General Burns to advise upon.[60]

7. Quite separate from this question was that of guaranteeing the countries against aggression. This was the Tripartite responsibility of the countries which signed the Declaration in 1950 and this responsibility had been reaffirmed in Washington. Mr. Lloyd said that while it was impossible to have anything in the nature of a police force which would prevent aggression, he was interested in the possibilities of increasing the observer force up to one thousand if necessary. He would like, for example, to put two hundred into a certain place where Nasser had indicated the Egyptians might retire and if this proved a success, similar experiments could be tried elsewhere.

8. The situation along the Jordan frontier was better. Real trouble was to be expected shortly on the Syrian frontier if and when the Israelis start to build their canal. Both

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[60] Voir la conférence de presse d'Eden reproduit dans Canada, ministère des Affaires extérieures, *Affaires Extérieures*, vol. 8, n^{os} 2 et 3, février à mars 1956, pp. 54 à 58.
See Eden's press conference as recorded in Canada, Department of External Affairs, *External Affairs*, Vol. 8, Nos. 2 and 3, February-March 1956, pp. 49-52.

Sir Anthony and Mr. Lloyd expressed grave concern over the consequences of the steps likely to be taken in this area by the Israelis shortly and considered it important to have their positions cleared in advance. He implied that an ultimatum should be given to the Israelis about the consequences to them if they started any shooting. Mr. Pearson suggested that the Syrians should also be cautioned.

9. On the question of arms shipments, Sir Anthony and Mr. Lloyd clearly indicated their hope that the Americans would stand firm on exports to Israel. They had no intention of changing United Kingdom policies on the subject. Their problem was that if they sent anything at all substantial to the Israelis the Arabs would go straight to the Russians. Nasser had told them that the orders he had already placed with the Communists were on a once-and-for-all basis. Nasser said he was well aware of Communist intentions and did not wish to get tied up with them. There was reason to believe that he had been under pressure from the army to get better equipment and had done so to protect his domestic position. However, it was difficult to be certain how far Nasser could be trusted.

10. Mr. Pearson said that in considering these issues he always went back to the basic principle that we could not expect the Israelis to behave peacefully while they were surrounded by neighbours dedicated to their destruction. While Nasser and others had privately indicated that they did not intend to destroy Israel they had not said so publicly. It would be a great thing if they could be induced to do so. Sir Anthony said that Nasser had gone a long way to give such an assurance in private after his Guildhall speech. He commented also that the longer the Israelis waited to accept compromise proposals the more they would have to concede.

11. In conclusion Mr. Lloyd mentioned that the United States and the United Kingdom representatives in New York were examining a 1950 resolution (this is presumably the Uniting for Peace Resolution) which would let it be known in advance what exactly would be considered aggression. This had been Mr. Dulles' idea.

12. In his talk to departmental officials Mr. Lloyd was at pains to deny (a) that there were divergencies between the United Kingdom and the United States (b) that the Baghdad Pact had prompted Soviet intervention in the Middle East. The United Kingdom had been surprised at the effectiveness with which Egyptian propaganda and Saudi Arabian money had kept Jordan out of the Pact. He thought a salutary lesson had been learned. The Americans and British, including senior officials of the large oil companies, if not their subordinates, were now agreed on the importance of preventing a clash between their interests in the Middle East. He fully agreed with the Alsop brothers' statement that Russia was "feeling for the jugular vein" of the United Kingdom in the area. Loss of Middle East oil would be crippling to the United Kingdom and Western Europe and, by implication, the North Atlantic Alliance.

13. (In our telegram No. K-222 of February 7 we commented on the views expressed by Caccia and Shuckburgh, which were, of course, substantially those of Mr. Lloyd. We shall be communicating to you later certain observations with regard to what appears to be the United Kingdom policy of constraint towards Israel.)

India and the Security Council

14. The agreement reached the previous day was confirmed to the effect that to counter a possible Soviet move to make India a permanent member of the Security Council, we should have a counter-proposal for two non-permanent members pending a review of the Charter. We might agree to support India for one of these seats. Mr. Pearson agreed to ask our High Commissioner in New Delhi to raise the question frankly with the Indians and suggest that they should not allow themselves to be led into any proposal at this time for

increasing the number of vetoes in the Council. (Action has already been initiated on this point).

15. In his subsequent discussions with officials, Mr. Lloyd said he was aware of the problem which might arise over the Commonwealth seat. He also thought there would be general agreement among the non-permanent members against an increase in the number of veto holders. He concurred in the statement made to him by a South African official that the enlargement of the United Nations might reduce anti-colonial sentiment in the Assembly.

Commonwealth Conference

16. In answer to a question from Mr. Pearson, Sir Anthony Eden indicated that the Gold Coast was not expected to be ready for membership in the June conference of Prime Ministers. He thought it would be useful if the "Old Commonwealth" Prime Ministers had some talks in private about this question during the conference. The United Kingdom believed that the South African Government was now reconciled to the membership of the Gold Coast.

17. Sir Anthony spoke briefly about *Singapore* where he said they were going to have trouble. Marshall was a very good man but would not last. Marshall himself had indicated that he did not expect to survive long and he thought he would be succeeded by a crypto-communist. In that case, he had said that the British would have to take back the governing of Singapore.

18. Sir Anthony said that the High Commissioner for Pakistan had told him just before he left London that they were very worried about the situation in *Kashmir* because of the indications of Communist infiltration. He had given Sir Anthony the names of certain ministers who were Communists and had said that the Indians were doing nothing about this. It would probably be necessary to talk about Kashmir in June but "out of school". Mr. St-Laurent said that little progress had been made when the subject was discussed privately at the last meeting.

19. In his speech in the House on February 6 Sir Anthony had mentioned the possibility that the Commonwealth conference might "revolve".[61] In his press conference he returned to this theme saying that he thought there was a good deal to be said for a Commonwealth Prime Ministers' meeting taking place in other capitals than London. Such a step might bring "a new sense of the world wide nature of this organization to which we all belong". Ottawa had very high claims but there were others to which in due course we might give consideration.

European Unification

20. Mr. Pearson referred to the difficulties of the problem, either one had to stand in the way of a genuine movement towards European unity or to support it and thus encourage the setting up of a high tariff union. Sir Anthony and Mr. Pearson agreed that Euratom was a good idea. Sir Anthony said he did not want anything to develop which would affect O.E.E.C..

21. Sir Anthony expressed grave concern over the statement of the German Finance Minister on the refusal to continue contributions to NATO forces. He said that the United Kingdom might have to consider withdrawing a division. The financial problem was very

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[61] Voir Canada, Chambre des Communes, *Débats*, 1956, volume I, pp. 946-948.
See Canada, House of Commons, *Debates*, 1956, Volume I, pp. 906-908.

considerable. They could not go on paying if the Germans provided neither forces nor services. However, there would be no sudden withdrawal.

22. In discussion with officials later Mr. Lloyd spoke of United Kingdom fears of a repetition of the failure of earlier Western European plans for integration. In opposition to the French concept of high tariff protection he preferred to see common markets develop through NATO and the OEEC. With regard to the Euratom proposals the United Kingdom would consider some form of association similar to the European Steel and Coal Community.

United Kingdom-Canada Trade

23. Sir Anthony referred to this in his press conference. "We very much want to increase mutual trade". He pointed out that Canadian exports to the United Kingdom were twice those of the United Kingdom to Canada. The United Kingdom wished the trade to grow but to rectify the imbalance and he made a public plea for the sending of Canadian "private enterprise" missions to the United Kingdom. "We understand that the Canadian market is highly competitive but all the same we want to be in the competition and from time to time we want to do very well in it." Both Sir Anthony and Mr. Lloyd said that the downward economic trend in the United Kingdom last autumn had been to some extent seasonal and that January figures on gold and dollar reserves had been better. There was no cause for depression concerning the United Kingdom balance of payments position since it was due to a tremendous upsurge in confidence and investment.

Indo-China

24. Sir Anthony praised the Canadian role both in the House of Commons and at his press conference. Mr. Lloyd at his meeting with officials thought that Indo-China was not likely to be a trouble spot in 1956. Diem would be victorious in the March elections in South Vietnam. The problem was one of consolidation there as well as in Laos and Cambodia. The United Kingdom Ambassadors thought that both Vietnam and the Vietminh need time to re-group their forces. There was no indication for the present of any likely incursion from the North.

Communist China

25. Mr. Lloyd told departmental officials that he had brought back from Washington the conviction that if United Kingdom took the initiative in pressing for Communist China's admission to the United Nations "there would not be any single issue more damaging to the Anglo-American alliance." Sir Anthony reinforced this view at his press conference. Mr. Lloyd thought therefore that the United Kingdom should refrain from pressure in this election year although he did not exclude representations to Washington regarding the China list.

26. Mr. Lloyd had personal and precise misgivings on the United States stand on the offshore islands where the danger of war was implicit. If Communist China attacked the alternative was clear: either the United States would *not* fight and withdrawal of the nationalist forces would leave the United States in the same position vis-à-vis Communist China, or the United States would fight and a world war might result. He thought that neither the United States administration nor the American public was entirely sure of what they would themselves do if the Communist Chinese attacked the offshore islands and there lay the danger. "This is a game of bluff which can be continued only for a time."

Bulganin-Khrushchev Visit

27. Sir Anthony stated at his press conference that this invitation still stood and Mr. Lloyd stated to officials that the Americans had been in favour of the United Kingdom attitude of letting it stand. Mr. Lloyd said that both the United States and the United Kingdom thought that talks must go on with the Russians "at whatever time and whatever place" as however intractable the discussions might appear results could suddenly and unexpectedly be achieved. He cited the Austrian Peace Treaty. Mr. Lloyd expressed the personal view that the Indians may have come to believe that the Soviet leaders had gone too far in their statements during their visit in November.

Cyprus

28. Mr. Lloyd in discussion with officials rehearsed the dilemma facing the British: how to give self-determination gradually to the Cypriots without abrogating the treaty rights invoked by Turkey. Strategic considerations were the overriding element. While the United Kingdom had the highest regard for principles the issue was not one of morality. There had recently been an encouraging indication that the ethnarchy was aware of growing dissatisfaction among the Cypriots about the continuing state of tension.

Atomic Energy

29. Discussions with United Kingdom officials have already been reported to you in our telegram No. E-213 of February 6.

SUBDIVISION II/SUB-SECTION II

FINANCE

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697. DEA/50382-40

Note du chef de la Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Head, Economic Division,
to Under-Secretary of State for External Affairs

TOP SECRET [Ottawa, November 28, 1956]

U.K. WAIVER UNDER THE U.S.-CANADIAN LOANS

We have been informed in the strictest confidence that Mr. Macmillan, Chancellor of the Exchequer, has told Mr. Harris that the United Kingdom is approaching the U.S. Government to discuss the possibility of a waiver of interest payments due around the end of the year on the post-war loan.[62] Since the waiver provision in our agreement with the United Kingdom is related to that in the U.S. agreement, Mr. Macmillan has enquired whether Mr. Harris would have any objection to the initiation of such discussions in Washington.

2. Mr. Macmillan apparently has also indicated that in announcing the figures for the sterling area's gold and dollar reserves early in December he might wish to mention the fact that consultations were taking place with the United States and Canada concerning the waiver.

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[62] Voir/See Volume 12, Document 807.

3. In reply to Mr. Macmillan's question Mr. Harris proposes to state simply that he would have no objection to consultation taking place between the U.K. and U.S.. He will not go on to comment formally on the wisdom of including a reference to these consultations in the forthcoming gold and dollar reserve statement.

4. Although it may not be surprising that the United Kingdom is contemplating resort to the waiver, the fact that they may do so (and public knowledge of that fact) may have very serious political as well as financial repercussions — especially if, as seems not unlikely, the United States finds itself unable to agree that the waiver should come into operation.

5. Unfortunately, however, in present circumstances most outsiders, especially those who have been involved with the United Kingdom in recent exchanges over the Middle East, would probably be reluctant to attempt to advise the United Kingdom against the proposed course, particularly as they might not feel very confident about the prospects of their advice being welcomed or accepted.

6. The Department of Finance is considering the possibility of speaking privately on the telephone to Mr. Robertson to find out whether he would consider himself in a position to proffer advice to the Chancellor (or possibly preferably to Mr. Butler) and how he judges such counsel would be received. I have said that I thought it would be wise to talk with Mr. Robertson in these terms. In addition, Mr. Coyne is considering the feasibility of discussing the matter on the telephone with Mr. Cobbold, Governor of the Bank of England, since both of them could legitimately be concerned about the possible effects on exchange rates and neither of them has been involved in the recent unhappiness over the Middle East.

7. It seems all the more regrettable that the United Kingdom should be considering this action at this time — and the issuance of a public announcement about it — when we know that the U.S. Administration might well be prepared to adopt a pretty liberal view about sterling area drawings on the International Monetary Fund to tide them over their present difficulties. Such resort to the Fund would produce much more substantial relief or assistance for the United Kingdom and would have at least as salutary effects on confidence in sterling as would any public statement that the waiver was going to be invoked, with a consequential saving of something less than $180,000,000. It is of course true that even if the waiver were granted they might also be able to make the ordinary automatic drawing on the IMF, but it would not seem very likely that they would be allowed to draw the extra amount which senior U.S. officials have been discussing. On balance it would seem to be to their advantage to get as liberal treatment as possible from the Fund and not to take refuge in the waiver. (It is, of course, conceivable that their talk about a possible waiver is not meant too seriously but is merely part of the bargaining for drawings on the IMF. This seems rather unlikely, however, in view of the plans to make an announcement about the waiver as early as the first week in December.)

8. In view of the implications which this situation can have for U.K. relations with the U.S. — and Canada — you may wish to let the Minister know of these developments.

9. Since this is an extremely delicate matter it would seem desirable to put as little as possible on paper about it. Accordingly I am not having any copies made of this memorandum. You may wish to destroy this memorandum when you have finished with it.

A.E. RITCHIE

698. DEA/50382-40

Note du chef de la Direction économique

Memorandum by Head, Economic Division

TOP SECRET [Ottawa], November 29, 1956

POSSIBLE UK WAIVER UNDER US-CANADIAN LOAN AGREEMENTS

Around 10:00 a.m. on November 29 the Minister spoke with the High Commissioner in London concerning the letter which Mr. Harris had received from Pritchard. Mr. Pearson expressed his concern at the possible consequences of such a request at this time by the UK to the US, particularly if the UK might reasonably expect that this request would in the end be turned down. Those who would receive the request in Washington might not welcome it, especially if it appears that it was being made in the knowledge that it almost inevitably would have to be rejected. Any public reference to the fact that a request of this kind was being made would almost certainly produce disappointment and more bad feeling at a later stage when it became known that the request had been refused.

Mr. Robertson seemed somewhat surprised that the UK was proposing to request a waiver under the two loan agreements since officers at Canada House had understood from the Treasury that there was a good deal of optimism about the prospects of getting over the temporary difficulties, however serious those might be. Certain "windfalls" expected during December might go a considerable distance towards restoring the UK's financial position.

Mr. Pearson told Mr. Robertson that undoubtedly people here would be sympathetic with the UK's problems and would be anxious to be as helpful as possible. He did not think, however, that a request to the U.S. for a waiver which could not be granted was the best way for the UK to secure assistance and cooperation.

At Mr. Pearson's request Mr. Robertson indicated that he would explore the matter discreetly with those concerned in Whitehall.

A.E. RITCHIE

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699. DEA/50382-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1696 London, November 30, 1956

TOP SECRET & PERSONAL. IMMEDIATE.

Reference: Your tels EE-355† and EE-357† Nov 29.

Following for the Minister from Robertson. I saw Roger Makins briefly this morning and gathered that the US had not been approached in the terms of Pritchard's letter to you. Makins took the point about the construction that could be put upon the Chancellor saying: "We are discussing the matter with the US and Canadian Governments." He said that it was now the Chancellor's intention simply to stand on the statement he had made in the

House on November 27 ie "no decision has yet been taken as regards the payments due on December 31/56."

2. I was told yesterday not by the Treasury that the UK Government had already approached the German and Swiss Governments about the possibility of arranging a large dollar loan from them. I do not know whether these continental soundings represent something over and above the exploration of dollar credit possibilities referred to in your paragraph 4 or whether they represent an effort to ascertain the possibility of substantial European participation in a dollar credit that might be arranged or negotiated primarily through New York.

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700. DEA/50382-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM EE-101 Ottawa, December 1, 1956

TOP SECRET. IMMEDIATE.

UK LOAN WAIVER

Following for Robertson. We understand that Harris reply† to Pritchard indicates that if Chancellor considers reference to this subject necessary we would have no objection. In that event Harris letter suggests formula should be that discussions are taking place, or will take place soon, with the USA; and Canada is being, or will be, kept informed. We shall send you the text on Monday for your info.

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701. DEA/50382-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM EE-102 Ottawa, December 2, 1956

TOP SECRET. IMMEDIATE.

Repeat Washington (for Heeney only) (Information).

UK LOAN WAIVER AND DRAWINGS ON FUND

Following for Robertson. Garner has passed to us two telegrams received late yesterday on these subjects. One gives text of statement which Chancellor proposes to make on Tuesday. Other contains draft letter to Canada regarding the waiver. In his covering letter to Mr. Harris Garner indicates that amount being sought from fund either in cash or as standby is 886 million dollars. Garner's letter expresses hope that we will support request to the fund and that we will indicate now our readiness to grant waiver if USA does.

2. These messages are probably available to you in London.

3. We have been involved in two meetings today with Mr. Harris and officials of Finance and the Bank about our response.

4. Concerning the Chancellor's proposed statement we have suggested to Garner that the sentence in paragraph 10 about our inability to decide until the USA does should be replaced by "The conditions of the Canadian agreement do not call for a waiver unless the interest payment under the USA agreement is waived. We have informed the Canadian Government that on the assumption a waiver is granted by the USA we are also formally claiming a waiver of interest under the Canadian loan." The third sentence in that paragraph would consequentially be changed to refer only to the American Government.

5. In the draft UK letter we have suggested adding to the second paragraph the words "and provided a waiver is granted by the USA in terms of Article 4(c)".

6. Most of today's discussion has been related, however, not to these alterations but to the substance of our position. Unfortunately we shall not be able to say much to the UK immediately although we may be ready to say at least something in the next day or so. Meantime for your own info the following is about the way things stand.

7. On the waiver it seems clear that if the USA accedes a Canadian waiver follows almost automatically although there is some question about who formally determines that the conditions have been met and grants the release and also about whether parliament should as a formality be consulted in some manner. If the USA rejects the request or delays for some time there will be a question as to whether Canada should nevertheless give a waiver and if so in what manner since such a course is not envisaged in the agreement. Ministers here are expected to agree on a statement which can be used after Macmillan speaks on Tuesday to answer inevitable press queries about such a possibility. The draft which will be put to ministers will probably point out that the UK have only asked for a Canadian waiver in the event that one is received from the USA as contemplated in the agreement. It will probably add that the whole situation will be examined on the Prime Minister's return. Such a statement would not preclude the possibility of a voluntary waiver although this implication would probably not be brought out too sharply.

8. Concerning fund drawings all that is being done at the moment is that we are showing an interest to senior USA Treasury officials, asking them what additional info they may have about the UK situation and intentions, and expressing the hope that there will be an opportunity to exchange views with them before final decisions. We are also rather innocently asking Garner to confirm our assumption that as in the past drawings would be made in USA dollars. The truth of the matter is that after a good deal of discussion there was a general inclination to support the UK application even for the second credit tranche if that was what the UK considered necessary. There was considerable doubt, however, that the UK would be wise to press for the full amount if they were bound to be turned down or if vigorous and prolonged controversy was likely to be provoked since either of these might do much political damage and weaken rather than strengthen confidence in sterling. The firmness of our own initially favourable reaction would no doubt be greater if more were known of the substantial character of the proposed UK internal measures. We would also be in a better position to intercede with the USA if we did not have reservations about the possibility of a high proportion of the drawings being taken in Canadian dollars in the present state of our own economy and balance of payments.

9. There will be further active discussions tomorrow. Any info you may receive will be appreciated. You should not however mention points in paragraphs 7 and 8 above [to] the UK or USA.

702. DEA/50382-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM EE-373 Ottawa, December 3, 1956

TOP SECRET. IMMEDIATE.
Repeat Washington (for Heeney only) (Information).

UNITED KINGDOM LOAN WAIVER AND FUND DRAWINGS

Following for Robertson. In the light of the interest which we had shown in these matters yesterday Mr. Humphrey telephoned Mr. Harris this morning.

2. Concerning the drawings on the fund Mr. Humphrey was not unsympathetic with the United Kingdom position. He was however worried about the possibility that the granting of the second credit tranche might precipitate a "run on the Fund" unless some "spade work" was carried out beforehand. He was now engaged in doing such "spade work", the nature of which he did not describe to Mr. Harris. He indicated that he had discussed the situation frankly with the United Kingdom and that in all probability they would not press at this time for the second instalment of credit unless he was satisfied that his "spade work" had been successful.

3. Regarding the waiver Mr. Humphrey indicated that he had told the British he was not willing to attempt to stretch the present provision of the waiver in an attempt to meet them. He thought if such liberties were to be taken with this provision very serious trouble might result. He has told the United Kingdom however that he is willing to ask Congress for approval of a revised version of the waiver. Mr. Humphrey apparently did not comment to Mr. Harris on the United Kingdom's intentions to hold in escrow the interest payments due on the United States and Canadian loans this month.

4. Mr. Humphrey and Mr. Harris ended the conversation by agreeing to keep in touch with each other on these matters.

5. We consider that this is not too unsatisfactory a situation.

6. Mr. Harris did not mention his misgivings about the possibility of excessive drawings in Canadian currency.

7. While it would be as well not to refer to the Harris-Humphrey conversation we should naturally be grateful to receive your impression of how United Kingdom ministers and officials with whom you may be in touch are taking the response which they are getting from Washington.

703. DEA/50382-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM EE-379 Ottawa, December 3, 1956

TOP SECRET. IMMEDIATE.

Reference: Our tel EE-373 of Dec 3.
Repeat Washington (for Heeney only) (Information).

UK LOAN WAIVER AND FUND DRAWINGS

Following for Robertson. At a meeting with Mr. Harris this afternoon it became evident that Mr. Humphrey had been a good deal less forthcoming than we had understood from our third hand reports this morning. In particular Mr. Humphrey himself did not undertake to carry out the "spade work" necessary to discourage others from joining in a run on the Fund. Moreover, Humphrey did not receive any undertaking from the UK that if such "spade work" were unsuccessful the UK would cease pressing for the second credit tranche.

2. Another point of interest to you is that Garner has now replied to our query of last evening and has indicated that originally the UK had planned to draw USA dollars, Canadian dollars and German marks. They had since decided not to ask for the marks. They expected that "the greater part" of their proposed drawings would be in USA dollars but Garner was not able to say how large the balance might be which they planned to take in Canadian dollars. Garner added that he understood the question of the composition on the drawings was under discussion with the USA. Needless to say there is some irritation here at the thought that the UK should be consulting the USA about possible drawings of Canadian dollars when there is no evidence that they even would have informed us in advance if we had not raised the question yesterday.

3. Although it is not possible to give you a general assessment of attitudes here at the moment you should know that at least in financial quarters the opposition to drawings in Canadian dollars has probably increased during the day.

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704. DEA/50382-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

TOP SECRET Ottawa, December 5, 1956

CANADIAN ATTITUDE TOWARDS UNITED KINGDOM DRAWINGS ON THE INTERNATIONAL MONETARY FUND

The further meetings were held yesterday on this subject in Mr. Harris's office (from 1.30 to 4.30, and from 5.30 to 6.15 p.m.). In the course of these meetings we reminded the group of our concern about the very serious political effects which might be expected to result from any indication that we were imposing a ban on the use of Canadian dollars which we are under an obligation to make available through the Fund on request. Most of the discussion, however, related to the dimensions of the United Kingdom's needs in order to maintain confidence in sterling, and to the effects which possible drawings of Canadian dollars might have on our domestic situation.

2. During the day there were two new developments of which account was taken in these discussions.

3. In the first place the United Kingdom made it clear to us (both through Mr. Heeney and through Mr. Robertson in London) that they definitely do not intend to draw Canadian dollars. This was considered somewhat reassuring by those who had been worried at this prospect. It is of course still possible that the United States authorities may consider that some Canadian currency will need to be drawn in order to ease the financial — or, more likely, the public relations — problems confronting the United States in allowing such a large volume of U.S. dollars to be employed. Mr. Humphrey has, however, intimated that he thinks the United States can handle the full requirement through the Fund without involving other currencies.

4. The second significant development was the report from Washington that the United States (or at least Mr. Humphrey) apparently had concluded that the United Kingdom should be given ready access to the whole of their quota (i.e. $1,300 million plus $236 million representing the original U.K. gold subscription). Apparently if this were to be done some $560 million would be taken in cash (probably entirely in U.S. dollars) and the balance would be held in the Fund available to the United Kingdom as a stand-by credit. Certain questions (the nature of which is not known to us) in Mr. Humphrey's mind still had to be clarified but he apparently felt quite strongly that this more massive support would be better for stemming with certainty any speculation against sterling. Moreover if resources are made available to the United Kingdom on this scale it will be more apparent that the U.K. case is an extraordinary one and other countries will be less able to invoke it as a precedent for starting a run on the Fund. Mr. Humphrey's officials did not fully share his tentative conclusions, but even they agreed that the United Kingdom should probably be allowed to get more than the $560 million total which those officials had been regarding as the limit the day before.

5. After the various discussions yesterday it was Mr. Harris's view that Mr. Rasminsky should go to Washington today for Fund discussions, with three main thoughts in mind:

(a) Not to press the U.S. to accept a larger figure for total assistance to the United Kingdom than the U.S. authorities considered wise.

(b) To support (and to let the U.S. and U.K. know that we would be willing to support) the largest figure which the United States is willing to accept.

(c) To avoid raising the question of Canadian dollars but, if it comes up, to explain our difficulties (e.g. balance of payments deficit, increased indebtedness to foreign investors, and fairly serious inflationary conditions). If the United States or others urged that Canadian dollars be used for some part of the United Kingdom's drawings, Mr. Rasminsky would be expected to be noncommittal. He would indicate that such a suggestion would be a matter for consideration by the Canadian Government. He would be careful to avoid giving the impression that a drawing of Canadian dollars in any amount was ruled out.

6. This seemed to us to be not too unsatisfactory a basis on which to leave the matter for the time being. We could be reasonably cooperative and the issue regarding Canadian dollars would not be prejudiced.

7. This morning there has been the further development that the United Kingdom has now decided to go for the full amount of $1,300 million and the United States has definitely indicated its willingness to support such an application apparently on the condition that the U.K. Government survives the vote of confidence on Thursday. We in turn have told the United Kingdom that we would also be willing to support such a request in the Fund. Rasminsky or Warren has spoken in this sense to the U.K. Executive Director, and Mr. Heeney has also informed the U.K. Ambassador in Washington. They are said to have been very pleased to learn of our support.

8. These latest developments are being kept extremely confidential since there is always a possibility that some other members of the Fund may vigorously oppose the application and might press their own requirements for drawings (e.g. France and India). It would be most unfortunate and would have very serious consequences for sterling if such opposition were to develop on a substantial scale and if difficulty were to be experienced in getting approval of the U.K. drawing. Since the Fund is not now expected to meet to consider the matter before Monday, every precaution is being taken to ensure that this information does not leak and apparently some spadework is being done with the more sensitive delegations to lessen the likelihood of open criticism or opposition at that time.

9. We have not yet informed the United States that we are willing to support the U.K. request. It would not seem to be particularly useful for us to go out of our way to tell the U.S. of our attitude since they themselves are already favourable to the idea. Moreover, the taking of such an initiative by us might appear as an invitation to the United States to urge us to allow Canadian dollars to be used in a large amount. It is expected that Mr. Humphrey will probably call Mr. Harris during the day to let us know their attitude. At that time Mr. Harris will tell Mr. Humphrey that we also are willing to support the request. If Mr. Humphrey raises the Canadian dollar question, Mr. Harris is expected to deal with it cautiously.[63]

10. As you will see, the situation is developing fairly satisfactorily up to this point. The Canadian dollar problem may, however, still be ahead of us.

J. L[ÉGER]

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705. DEA/50382-40

Note du sous-ministre adjoint du ministère des Finances

Memorandum by Assistant Deputy Minister, Department of Finance

CONFIDENTIAL [Ottawa], December 17, 1956

"THE WAIVER" — CANADA-U.K. AND U.S.-U.K. LOAN AGREEMENTS

Last week in Paris I talked with Rowan (U.K. Treasury) and then with Overby (U.S. Treasury); subsequently with Mr. Humphrey (Secretary) and later with Mr. Macmillan (Chancellor).

2. According to Rowan, the Secretary and Chancellor had talked about the Waiver Clause shortly after arrival in Paris. The Secretary said that he had taken Congressional soundings which indicated more sympathy than previously towards some amendment of

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[63] Il n'a pas été possible de trouver la trace d'une conversation téléphonique entre MM. Harris et Humphrey.
No record of a telephone conversation between Harris and Humphrey was located.

the Agreement. He anticipated that an amendment would be acceptable if brief, simple, and not seriously disturbing to the balance of the Agreement.

3. Three possibilities were discussed briefly:

(a) The waiver might continue pretty much as at present but placed purely on a basis of balance-of-payments-difficulties. For this purpose it would be necessary to delete the references to sterling balances in Sec. 6(iii) of the U.S.-U.K. Agreement and make more comprehensive and effective the nature of the certification supplied by the Fund under Sec. 5(b). At present the certification relates, not to the general balance of payments position, but to the relation between current exports and pre-war imports; Rowan claimed that this certification could have been obtained every year since 1950.

(b) The waiver system, under which interest payments are foregone forever, might be superseded by the "bisque" system with its limited number of postponements of both interest and principal at the option of the U.K. This proposal, originally American, appeared as before, with the U.K. mentioning "5, 7, or 10" bisques. There was no discussion of interest on the postponed amounts. The U.K. did, however, express some worries about the effects on confidence of invoking the bisque provision at a time of difficulty; they advanced the idea that they might take all the available bisques immediately so that there would in effect be a five or seven year holiday on debt service. (The final payments would then become due in 2005 A.D. or 2007 A.D.!)

(c) On the invitation of the Chancellor, Rowan tentatively suggested that, as a "constructive move", all interest and principal payments should henceforth be put into a sterling fund to aid underdeveloped countries. Such a fund might be "jointly administered". The U.S. response to this suggestion, Rowan reported, was not very encouraging; the Secretary remarked that he would be very hesitant to put this new suggestion forward at a time when no less than three committees were studying aid policy in the U.S.

4. After the Secretary and the Chancellor had run over these three possibilities, the Secretary suggested that the U.K. should proceed to prepare a paper putting forward its proposals, guided by the Congressional situation he had outlined. The U.S. Administration would try to accept something as close as practicable to whatever the U.K. might propose.

5. Rowan concluded his conversation with me by saying that the U.K. would now be preparing a paper and that this would be presented to Canada as well as the U.S.A.

6. *According to Overby*, the Secretary-Chancellor conversation followed precisely the lines described by Rowan. Overby stressed the dubiousness of the Secretary about the "aid" proposal. Overby then talked to me about the U.K. proposal for taking all their "bisques" at once; from what he said I gathered, first, that the initial U.S. reaction had not (to my surprise) been adverse and, second, that the U.S. was not in fact planning to charge interest on the postponed bisques so that this would actually provide a financial incentive to the U.K. to take them as soon as possible. I asked Overby to keep us closely in touch with developments and he promised to do so.

7. Shortly after this conversation I received a message from Mr. Harris asking that he should be "put in the position of being able to say at some later date, if asked, that Canada had participated in the discussion of the waiver question in Paris this week". Accordingly I sought brief interviews with the Secretary and the Chancellor.

8. *Mr. Humphrey* said the U.S. Administration was anxious to do what it could within the limits of Congressional concurrence; but he doubted that the "aid" proposal was a practical one. I pointed out that if legislation were required in the U.S. it would be required in Canada too. Mr. Humphrey immediately volunteered his personal assurances to Mr. Harris, first, that the U.S. would not agree to any U.K. proposal before we had had time to have a

good look at it and, second, that he would want to make any adjustments that might be required to accommodate our needs. I thanked him for these assurances. (Overby was present during this conversation.)

9. Finally I talked briefly to *the Chancellor*; (Rowan had returned to London and no U.K. official was present). He confirmed that the U.K. would now be putting proposals in writing and remarked on the vigour with which the Secretary was pursuing the matter. I pointed out that Canadian as well as American legislation would probably be involved and suggested that the U.K. would accordingly wish to put their proposals to us at the same time and in the same form as to the U.S. The Chancellor readily agreed to this and in doing so referred to the coming Canadian elections. He went on to wonder whether the appropriate channel of approach was Earnscliffe or Canada House; he seemed to come down on the side of Earnscliffe.

A.F.W. PLUMPTRE

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706. DEA/50382-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM EE-476 Ottawa, December 20, 1956

SECRET. IMMEDIATE.
Reference: Your tel 1795 of Dec 17.†
Repeat Washington (Immediate).

U.K. FINANCIAL AGREEMENTS — WAIVER

We learn from Washington that U.K. ministers are not discussing the revision of the waiver until the week following Christmas but we would wish to acquaint U.K. officials with the views which have been developing here before they take firm positions.

2. The views expressed in this and the following telegram have of course the general concurrence of Mr. Harris but at this stage a formal message from the Minister of Finance to the Chancellor did not seem appropriate or necessary.

3. Our immediately following telegram contains the text of an aide mémoire which we would like you to leave at an early date with the Treasury. It is largely self-explanatory but some comments might be helpful to you. It relates as you will see to the three proposals that were under discussion in Paris.

4. In regard to the first proposal, it is clear that a loan agreement providing as it does for specific amounts to be repaid on specific dates, by a sole debtor to a sole creditor, calls for a more precisely defined escape clause than the general balance of payments provisions of the GATT and the Fund. The kind of negotiated qualitative judgment which is satisfactory in these latter organizations could be most unsatisfactory when transferred to the creditor-debtor relationship, especially where the balance of payments of the creditor as well as the debtor is volatile. It is highly unlikely that the precise criteria which would seem to both parties to be appropriate to write into such an escape clause at this time would maintain their relevance over the 45 years which the loan still has to run. Our present difficulties with the interpretation of the existing escape clause, encountered only ten years after the

negotiation of the loan, would seem to bear this out. Incidentally we believe that with the growth of the United Kingdom's exports and imports over the years the terms of Article 4(b) of the Canada-U.K. agreement will become less and less applicable and therefore the protection provided by that escape is a wasting asset.

5. Even if it were possible to work out some manageable escape clause based on balance-of-payments criteria, it is doubtful whether it would be wise to write it into a loan agreement. It could have an unfortunate effect on the collectibility of other loans. (The French have already remarked humorously that they *hoped* that they would be able to make their usual payment to us at the end of December.) Furthermore, the U.K. might seek to use the fulfilment of any precise conditions which might be written into the loan agreement as proof of their right to use the more general balance-of-payments escape clauses contained in the GATT and the Fund agreement.

6. In regard to the second proposal for postponable bisques, you will have gathered that the U.S. are in fact pushing the U.K. in this direction and we would like to add our weight. It is in the interests of all concerned, and not merely the U.K., that some form of elasticity should be permitted. Moreover this proposal would seem to have the political advantage of lessening the likelihood of periodic wrangles over the facts of the situation. We do not touch on the number of bisques. Actually, we would think that the United States would we wrong to try to limit it to five but that the United Kingdom suggestion for fifteen is unreasonable. As for the question of interest on the postponed interest, Plumptre gathered from Overby in Paris that the U.S. would be willing to forego this and so would we but there is no need for us to put this particular point into play either in London or in Washington.

7. We do, as you will observe, see real objection to the U.K. proposal that they should use all of their bisques at once. We have always held the view, and we believe that you share it, that the principle of elasticity is a desirable one. Further, in relation to the present situation, the U.K. have stated publicly that their basic position is sound, and that the special assistance they have obtained from the Fund is designed to overcome merely a problem of confidence. The taking of all the bisques at once would surely appear as a kind of moratorium, which would not fit in at all with their public argument. Moreover, the introduction of a new period of grace at this late date would surely cause objections in the U.S. Congress and possibly in the Canadian Parliament. It would go a considerable way to upsetting the balance of the original agreement and as you know the Secretary warned the Chancellor in Paris that it might be dangerous to upset this balance materially. It may be that the British will claim that there is some connection between the small number of bisques which the Americans seem willing to contemplate, and the U.K. desire to use them all at once. As far as we are concerned, our objections stand even if there were no more than five bisques.

8. In regard to the third proposal, Rowan mentioned it very briefly to Plumptre on two occasions in Paris, and we have no very clear or comprehensive idea of what may be involved. Plumptre's impression was that it was designed to cover all payments still to be made on the loans, and therefore would amount to cancellation as far as the creditors were concerned. Messages from Washington suggest that this understanding may be wrong, and that the intention is to use the payments for developmental purposes only in years when balance-of-payments criteria could be met or bisque choices were made. If this is the case then the proposal does not make sense, since it would not overcome any balance-of-payments difficulties the U.K. might encounter to substitute unrequited capital exports to under-developed countries for dollar payments to the U.S. and Canada.

9. In any event, we would refer to make our own contribution to the development of under-developed countries in ways which have proved satisfactory, i.e., bilaterally, as in the Colombo Plan, or multilaterally, as in the United Nations. The kind of trilateral scheme envisaged would not leave us much freedom of action. Both the U.S. and the U.K. have their own particular interests in the use of aid, and we very much doubt that our influence would be proportionate to the amount which in fact we would be contributing to the total.

10. We should be grateful to be informed when you have approached the U.K. Treasury.

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707. DF/8745/657-4

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM EE-477 Ottawa, December 20, 1956

SECRET. IMMEDIATE.
Reference: Our immediately preceding tel.
Repeat Washington (Information. Immediate).

UK FINANCIAL AGREEMENTS

The following is text of aide mémoire.

THE WAIVER — CANADA-UK AND USA-UK FINANCIAL AGREEMENTS

Careful thought has been given at official levels in Ottawa to the proposals which were discussed in Paris last week for the amendment of the waiver clauses in the Canada-UK Agreement of 1946 and the USA-UK Agreement of 1945.

2. It is understood that all proposals involve elimination of references to sterling balances from the USA-UK Agreement.

3. One proposal which was discussed in Paris was to continue the principle of complete "waivers" of interest in certain years but to replace the present criterion which relates the UK income from exports in the year in question to the cost of imports in a pre-war period. The criterion put forward as an alternative would be one relating to the general balance of payments position of the UK.

4. While it is attractive to suggest that in principle the general conditions of the UK balance of payments should be taken into account it would be very difficult to write such a criterion into an agreement and particularly an agreement intended to last for 45 years. The overall external position of the UK in any year depends on a large number of forces, many of them volatile, including long-term and short-term capital movements, changes in the sterling balances of other countries in the sterling area and so forth. Any assessment of that position must be a matter of judgment and cannot be reached simply by reference to a few identifiable series of statistics. Moreover the judgment must be prospective while the statistics will always be retrospective.

5. A further objection would lie in the fact that the judgment would have to be reached by an impartial authority, presumably the International Monetary Fund. A formal judgment by the fund that the UK was in difficulties in a particular year would no doubt have

unwelcome effects on confidence in sterling just at a time when such effects would be particularly undesirable.

6. A second proposal discussed in Paris was that the present waiver provisions should be deleted entirely and replaced by provisions which would permit the UK at its own option in any year to postpone both principal and interest payments until the years immediately following the years covered by the present agreements. This proposal, which has been under discussion before, would seem to have a great deal of merit. It would retain the principle of elasticity which was written into the original agreements but which has been lost because of the impossibility of getting agreement on the interpretation of the clauses in the USA-UK agreement relating to sterling balances. While the use of any form of elasticity might have some adverse reactions on confidence in sterling at the time it was employed, this particular form would seem to be as satisfactory from that point of view as could be devised.

7. This proposal has the further important advantage that it would be more likely than other more complicated or more radical measures to gain acceptance in the legislatures to which it would be put for approval. It could be supported on grounds of retaining the generally desirable elasticity which has been mentioned above and of involving the least damage to confidence; on the other hand it could be pointed out to those who might be reluctant to make particular concessions that whereas the waiver principle involved permanent losses of interest this proposal only involved postponements.

8. There was a variant or interpretation of this proposal which was mentioned in Paris and which has been under discussion in Ottawa. It was suggested that the UK, instead of retaining its postponable "bisques" for times of particular need, should use them all in the years immediately succeeding the revision of the two agreements. If this were indeed the intention the point would have to be drawn to the attention of legislatures and all but the last argument mentioned in the preceding paragraph would fall to the ground. In general the view is held in Ottawa that the principle of elasticity should be retained rather than the establishment of a new "period of grace". Both agreements provided for a period of grace at the outset but it is not clear what justification could be put forward at the present time for a new one.

9. A final possibility which was mentioned in London was that interest and principal payments should be put into a sterling fund designed for aid to underdeveloped countries and under some form of joint administration. It appears that the USA authorities are not inclined to be sympathetic to this proposal. It would, as it is understood in Ottawa, raise considerable difficulties for the Canadian authorities too but particularly in view of the USA position it is doubtful whether further discussions at this time would be fruitful.

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708. DEA/50382-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM E-16 Ottawa, January 4, 1957

SECRET. IMMEDIATE.
Repeat Washington (Immediate).

UK-CANADA FINANCIAL AGREEMENT OF 1946 — WAIVER

The following is text of letter dated January 3 from Sir Saville Garner to Mr. Harris:

"I have been asked to let you know that the United Kingdom Government has studied with interest the aide mémoire presented by the High Commissioner for Canada on 21st December, 1956. There is general agreement with the arguments contained therein about the disadvantages of amending the present waiver provisions and the advantages of their entire deletion and replacement by a number of options for the postponement of both principal and interest payments until the years immediately following the years covered by the present agreements. The United Kingdom Government has therefore come to the conclusion that the type of amendment to the two loan agreements which would suit it best would contain the following elements:

(i) The United Kingdom would give up the right to the waiver and to this end sections 5a, 5b and 6(iii) of the United States-United Kingdom loan agreement and the corresponding provisions of the Canadian-United Kingdom loan agreement would be deleted.

(ii) In place of waiver provisions there should be provision that the United Kingdom Government at its own option might claim and should be granted a deferment of both the capital and interest payments.

(iii) The number of such deferments or bisques should be nine.

(iv) No interest should be chargeable on the postponed amounts.

It would not be the intention of the United Kingdom Government to use all the available bisques in the years immediately succeeding the revision of the two agreements.

The United Kingdom Government are accordingly putting proposals to this effect to the United States Government. In view of the terms of the Canadian aide mémoire, the United Kingdom Government on these lines to the Canada-United Kingdom loan agreement would be appropriate but they would be glad to have the Canadian Government's views."

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709. DEA/50382-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM E-28 Ottawa, January 7, 1957

SECRET. IMMEDIATE.
Repeat London for Robertson (Information. Routine).

UNITED KINGDOM WAIVER

Following for Warren from Hockin.

1. This telegram will confirm a telephone conversation between Plumptre and Warren on January 4.

2. Mr. Harris has received a letter from the UK High Commissioner proposing in general terms certain amendments to the present waiver provisions in the Canada-UK Financial Agreement. This letter, which is dated January 3, 1957, has been sent to you in telegram No. E-16 of January 4.

3. Our thinking in connection with this problem had been communicated to the UK in the aide mémoire presented by Robertson on December 21. Since receipt of the letter of January 3 there have been further interdepartmental consultations. As a result of these consultations we have reached the following conclusions with respect to the specific proposals contained in the letter of January 3:

(1) With respect to the number of deferments — nine seems too many and five too few. Seven would perhaps be a reasonable compromise, but we have not reached any firm conclusion.

(2) We can accept the proposal that no interest be charged on deferred interest payments but cannot accept that there should be no interest on deferred principal payments. Since the British now have the right to claim a complete waiver of interest payments, we feel that it would be too much to ask them to pay interest on deferred interest charges under the new arrangements. However, the present waiver provisions do not permit the waiving or deferment of principal payments. The amounts involved in foregoing interest on deferred capital payments would be very large and we do not think they would be acceptable to Parliament. Since the present interest rate on the loan is two per cent our present thinking is that the interest to be charged on deferred principal payments should also be two per cent.

4. We understand from your telephone conversation with Plumptre that the sentence in the letter to Mr. Harris disclaiming any intention of using all available bisques in the years immediately succeeding the revision of the two agreements does not appear in the letter from the UK to the U.S. We had dealt with this point in our aide mémoire to the UK since we considered it important. We were therefore glad to receive this assurance from the UK. The U.S. will probably want a similar assurance.

5. Now that the UK have written formal letters to the U.S. and Canada, we think it appropriate to seek a fairly detailed exchange of views with the U.S. We would therefore be grateful if you would get in touch immediately with senior U.S. Treasury officials and let them know our views as outlined in this telegram. We would also be grateful for any information you can obtain on U.S. thinking. At this stage we think it important that the exchange of views between Canada and the U.S. should be frank and confidential. We would therefore appreciate the U.S. not passing on our views to the UK. Similarly we would not disclose to the UK any comments the U.S. might care to give us.

6. Some consideration had been given here to the desirability of requesting the UK at the time of the revision of the waiver provisions of the agreement to reiterate in some formal way their intention of proceeding as fast as possible towards a multilateral system of trade and payments. It has been decided that this would not be either feasible or necessary because of the fact that the article in the present financial agreement covering this point will be undisturbed by any revision of the waiver provisions. However we would be interested to hear if the U.S. have any intention of putting a commercial tag, either in general or specific terms, on the revisions. You should not raise the matter with the U.S., but should report to us any thoughts the U.S. may volunteer.

710. DEA/50382-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 52 Washington, January 9, 1957

CONFIDENTIAL. IMMEDIATE.
Reference: Your tel E-28 Jan 7.
Repeat London (for Robertson), for Hockin Dept of Finance from Warren (Information).

UK-CANADA FINANCIAL AGREEMENT — WAIVER PROVISIONS

On receipt of your confirmatory message, I called yesterday afternoon on Randolph Burgess to indicate how our thinking was developing. Overby and Willis were present. Burgess welcomed the opportunity to discuss the UK proposals with US and readily agreed that the time had come for a frank and confidential exchange of views. He also agreed that pending further consultation between us the UK should not be informed of our respective positions on the various issues.

2. When I had communicated our present views on the nature of the appropriate revisions to the agreements, Burgess said that their thinking was still in the formative stage. Informal soundings were being taken in the Congress, the issues were being examined in the Treasury, but Secretary Humphrey had not yet focused firmly on what the USA response should be and the actual recommendation to be made to the Congress. Accordingly what he might say about the USA position was, for the time being, tentative and conditional.

3. The USA favours the deletion from the agreement of the present waiver provisions, as requested by the UK, and the substitution therefor of a provision under which the UK at its option might claim and be granted a certain number of deferments of both capital and interest. In this connection the USA would like to receive from the UK a statement similar to that contained in Garner's letter to Mr. Harris of January 3 concerning the UK's intention not to use all the available bisques in the years immediately succeeding the revision of the agreements.

4. Burgess was interested in our tentative conclusion that the number of bisques should be seven, and indicated that their thinking was not greatly different on this question. He emphasized, however, that the exact number of bisques which might be appropriate had not yet been decided. Burgess said he had talked to certain senators and had the impression that a figure somewhere between five and nine might prove acceptable. In this connection it was noticeable that the USA officials referred at several points in the conversation to "five or six deferments". It is safe, therefore, to assume that on the USA side five is no longer regarded as the maximum number of bisques which might be granted.

5. USA officials agree with us that no interest should be chargeable on deferred interest payments. As regards interest on deferred principal repayments, their thinking seems to be developing along lines rather different from our own. Here again no decision has been reached, but careful and I would say sympathetic consideration is being given to the UK request that no additional interest be charged. Burgess mentioned that the Chancellor of the Exchequer might have difficulty in securing approval from Parliament for a revision of the agreement which involved supplementary interest payments. To charge interest on the

deferred capital repayments would mean that the total amount to be repaid by the UK would be increased; whereas under the existing agreement there was a prospect that, through the waiver, the total cost might be decreased. He thought also that from the point of view of presentation of a revision to the USA Congress there was something to be said for a solution which could be explained in the sense that the USA would be receiving in repayment exactly the same amount as under the original agreement — neither more nor less — the only difference being that the repayment would be spread over a longer period. The concern of the officials present to find a revision which could be explained to Congress in simple terms and which would not raise too many questions came out again and again in our talk, and apparently has influenced their thinking about the way in which the deferments should be handled.

6. I gathered that initially the Treasury people had thought that the interest and principal to be deferred in a particular year should simply be repositioned at the end of the existing payments schedule. However, when this idea was examined it was found to conflict with what is regarded here as a basic principle of the agreement — that the interest should be payable on the amount of the loan outstanding from time to time. Thought was therefore being given to an alternative solution which would maintain this principle and the second principle of equal annual instalments. Violation of these principles could be avoided if, when the UK decided to exercise an option, the whole schedule were simply shifted one year ahead. For example, if the UK opted to take a bisque in 1957, no interest or capital should be payable for that year, but the obligation to pay these amounts would accrue in year 1958, and the amounts which would have been payable in 1958 would become payable in 1959, etc. A procedure of this kind would preserve a symmetrical schedule and would avoid the situation which would arise under the other procedure whereby at the end of the existing schedule of repayments, years would follow in which the final instalments might be made up of relatively large interest payments and relatively small principal repayments.

7. If under the above scheme no interest were to be charged on deferred principal repayments, nothing would be involved but a shifting of the whole schedule one year ahead on each occasion a bisque was used. (In effect each bisque year would be a grace year). If, however, interest were to be charged on the deferred principal element, the thought is that the additional interest should be on the amount of the loan outstanding at the time of the deferment; if, the same as the interest payable in that year under the present schedule. This interest could then be spread over the remaining life of the agreement in a way which would be consistent with the principle of equal, annual instalments. Willis said that, although a precise calculation had not been made, he believed the amount of additional interest which would be payable under such an arrangement would be rather more than simple interest at the rate of 2 percent on an actual deferred principal repayment, but about the same as this interest compounded for the period involved.

8. I said I was unaware whether alternative ways of handling the deferments had been considered in Ottawa, but that I would advise you of USA tentative thinking and ask for your reaction.

9. Overby at two points in the conversation threw out the idea that the question of whether or not to charge interest on the deferred principal repayments might be resolved in relation to the number of bisques to be agreed. Thus, if interest were to be charged the number of bisques might be greater, and if it were to be foregone the number might be less. I indicated my understanding of what he was driving at, but volunteered no comment. USA officials are quite aware of the financial disadvantages of foregoing interest on deferred principal repayments, but somehow appear to think that congressional passage of the revi-

sion might be easier if this question and the related questions of the rate, and whether the interest should be simple or compound, were avoided. At least that is the impression I have at the present stage. Of course, our position on the interest question will be an important factor and I should be glad to learn with what vigour you wish me to press the view that interest should be paid.

10. A separate question to which attention must be given is the treatment of the 1956 interest which has been paid into special accounts. Overby seemed to think that the happiest solution would be for the UK to pay over this interest and start the revised agreement with a clean sheet. Burgess thought it unlikely that it would be politically possible for the Chancellor, in view of what he has said publicly, now to pay the interest. Here again no decision has been taken on the USA side, but as reported earlier some thought is being given to dealing with this interest by deferment. Such a solution would, of course, raise the question of whether the deferment should be included in, or supplementary to, the number of bisques to be agreed in the revision of the agreement.

11. At the end of the meeting it was agreed that we should keep in the closest touch. Willis has undertaken to advise me of any new developments in their thinking, and we will, in any case, be in touch with each other at least once a day. As regards timetable, Burgess expressed the hope that the necessary decisions could be taken in the Treasury in time to make a recommendation to Congress by the end of next week. Overby and Willis were much less sanguine, and thought the process would take longer.

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711. DEA/50382-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 133 Washington, January 17, 1957

CONFIDENTIAL. IMPORTANT.
Reference: My 93.†
Repeat for Minister of Finance.

CANADA-UK FINANCIAL AGREEMENT — WAIVER

I met this morning with the Secretary of the Treasury and Burgess; Ritchie and Warren accompanied me.

2. The Secretary welcomed the opportunity to discuss the waiver question with us and asked me particularly to convey the sense of his thinking to you, together with his good wishes.

3. On procedure Humphrey, like you, believes we should remain in the closest touch as the situation develops and that we should try to keep in step. As he sees the problem, it would be most undesirable to place a proposal for revision of the agreement before the Congress which in the event turned out to be unacceptable. Accordingly, he attaches great importance to the result of the informal soundings now being taken with congressional leaders and key senators, his present endeavour is to ascertain the limits within which the Congress might be prepared to act favourably. Once this is known, he would wish to undertake detailed negotiations with us and with the British with a view to obtaining a

mutually satisfactory solution which could be recommended to the Congress and to the two parliaments. In all this Secretary Humphrey showed a real awareness of the relevance of our views and of the action which in due course we might wish to take. At one point he said that if we had any problems about the revision of the waivers I was to let him know "and your position will be our position".

4. As to timing, Burgess told the Secretary in my presence that advice just received from the Hill was to the effect that the legislation should if possible be introduced soon and in advance of certain other legislative items immediately pending. Burgess volunteered that the Treasury might be in a position to make a recommendation to Congress within a week or ten days. I was told that a draft bill (with the key provisions about the number of bisques and the question of interest left blank) had already been sent to the Republican leader of the Senate for a determination, in consultation with the Democratic leader and the Vice President, of the committee which would handle the legislation. I gathered that the odds were now heavily on the Banking and Currency Committee of which Senator Fulbright is the Chairman.

5. The Secretary was very frank in discussing the substance of the waiver question. His basic approach is that in the original contract the UK was given certain rights to relief which, because of the change in circumstances (a reference to the difficulties of making use of the sterling balance provision), were no longer applicable. This being the case, and in accordance with sound business practice, it was desirable to renegotiate the contract in order to carry out the original intent. He confirmed to me that, in this context, it was no part of USA purpose to take the occasion to be generous or otherwise vis-à-vis the UK, but only to agree with them and with us on a revision which would provide in present circumstances the kind of flexibility and relief for which provision was made in the original agreements.

6. Secretary Humphrey was inclined to be less forthcoming as regards the British proposals than earlier conversations with Burgess had led us to suppose. He said there were only two main questions left to decide (a) the number of bisques and (b) whether to charge interest on the deferred interest. He took it for granted that as a matter of equity the creditors were entitled to charge interest on deferred principal repayments. At one point he said he thought the UK would not be getting a bad deal if they were given only five bisques and paid interest on both the deferred interest and principal. He added, however, that the present feeling in the Treasury was that interest on the deferred interest might be foregone. As to the number of bisques, the Secretary again mentioned the range of three to nine as the area of choice. Burgess on at least two occasions talked about seven. The Secretary, referring to our tentative view that seven might indeed be the right number, thought that this might be on the high side. He tends to look at this question from the point of view of the credit which the USA would in fact be extending to the UK. In this connection he referred to a credit of between $700 million and $1 billion for forty years at 2 percent as being a pretty attractive proposition from the UK point of view, and one not without considerable cost to the USA if account were taken of the difference between 2 percent and the present level of interest rates. In response to a direct question, the Secretary confirmed that the USA was indeed thinking in terms of 2 percent simple interest and not of other possibilities which might be more expensive to the UK. Incidentally, I should report that Burgess showed a complete awareness of the fact that the existing waiver (even if it could be interpreted) would only be of value to the UK for a few more years, as thereafter the figure would preclude the Fund from giving the certification required in paragraph 5(b) of the USA agreement.

7. In the course of the conversation, I reminded Secretary Humphrey of the differences in our legislative systems which would permit of rather speedier action in Canada than in the USA once the Government had decided on the legislation to be introduced. I also thought it appropriate to put him on notice that public attitudes towards the revision of the waiver provisions might be somewhat different in Canada than here. In this connection, the Secretary showed complete understanding of the difficulties which could arise, on the one hand if a revision acceptable to Canada turned out to be markedly different from that adopted by the USA, and on the other hand if we appeared merely to follow the action being taken by the USA. He also commented that his position would be extremely difficult if, by any chance, what was recommended to the Canadian Parliament turned out to be less forthcoming than the proposals to be put before Congress.

8. As to the eventual administration recommendation, my guesses at this stage are, first, that the number of bisques will not be more than seven, and perhaps less, and secondly, that 2 percent simple interest will be proposed on deferred principal repayments, but probably not on deferred interest. It is also clear that there is a pretty strong desire on the USA side that the solution worked out for the two agreements should be the same.

9. I should be glad to know whether in the light of this message you wish me to propose any particular number of bisques and whether there has been any change in our preliminary view that interest should be charged on deferred capital. If we have views on questions of substance which are at variance with the apparent direction of USA thinking, I think we will have to register them within the next week before matters have advanced on the USA side to the stage where it would be difficult to introduce changes in their approach.

[A.D.P.] HEENEY

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712. DEA/50382-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 259 Washington, February 6, 1957

CONFIDENTIAL. MOST IMMEDIATE.
Reference: Our tel 228 Jan 31.†
For Mr. Harris, Mr. Plumptre, Mr. Coyne, Mr. Rasminsky.
Repeat Dept Finance, Bank of Canada.

CANADA-UK FINANCIAL AGREEMENT — WAIVER

1. We were invited yesterday to call on Treasury officials to be informed of USA views on the UK proposals for revision of the agreements. Burgess was detained, and in his absence the USA side was led by Scribner, Legal Counsel to the Treasury and Assistant Secretary (designate). Willis, Arnold and Glendinning were also present.

2. The present USA position is that the waiver in the existing agreement should be replaced by a provision permitting the UK, at its option, five (5) deferments of interest and principal. The 1956 interest which has been paid into "special account" would also be deferred and would be in addition to the five full bisques proposed for the future. In the

USA view 2 percent simple interest should be charged both on deferred principal and deferred interest. This interest would be spread over the life of the agreement after each bisque. The deferred amounts of principal and interest would become payable in the years following the end of the present payments schedule (the leap-frog technique).

3. Scribner said it was still not clear which committees would handle the amending legislation, but the strong likelihood was that it would go to the Senate Banking and Currency Committee and the House Foreign Affairs Committee. Now that the USA side has a position they are anxious to proceed quickly in negotiations with us and the British so that the matter can be placed before Congress with a minimum of delay. There is some fear that if Congress is not soon seized of an amending bill the present more or less favourable climate of opinion may change, other legislation might be given priority and there would be extended delay and a danger of congressional inaction. Secretary Humphrey has, therefore, suggested, as a first step, that we and the British negotiators meet with him tomorrow, Thursday, at 2 pm to discuss the UK request for revision and the USA counter proposals.

4. We indicated to Scribner that we would endeavour to ascertain your reaction to their proposals before Thursday, but did not commit ourselves to attend the proposed tripartite meeting. In the course of the discussion we said that you had not yet come to any firm conclusion about the appropriate number of bisques or the interest question. We reminded Scribner, however, of the view of Canadian officials that the revisions should provide a reasonable degree of flexibility over the remaining years of the agreements, and questioned whether five deferments were likely to prove fully adequate. Scribner did not volunteer any particular rationale for the choice of five; it seemed to us to be based on their judgment of what the traffic might bear. While it is difficult to be sure, we believe there may be some room for manoeuvers on the USA side and that we have been given their opening negotiating position vis-à-vis the UK rather than their position of no retreat. For example, Scribner said he thought Congress might well accept whatever recommendation was made by the Secretary because of their confidence that he would make "about as good a trade as you could get". There is also the Secretary's remark to me earlier that we should "all sit down and discuss the problem" which seems to suggest that there is a margin for negotiation.

5. I can see the obvious disadvantages in rigidly tripartite negotiations compared with parallel bilateral negotiations. If in the present of the UK we appeared to be dissenting from the USA position and taking a more liberal or lenient view, the USA might well consider that we were letting the side down. This could have some unfortunate consequences for our general relations with the USA and particularly with the USA Treasury.[64] On the other hand, if we merely reiterated or supported pretty severe USA proposals, the UK might be quite disappointed and even resentful. It might then be represented not only privately but publicly, in Canada as well as elsewhere, that we have ganged up with the USA against the UK.

6. On the other hand, we have quite properly insisted on a full role in the negotiations. Since the proposed Thursday meeting would be very much in the nature of a preliminary exploratory session, I feel that we should attend while leaving open the question of whether subsequent negotiations should continue on a tripartite basis or be carried on bilaterally. Thorold (who has succeeded Harcourt and paid a courtesy call on me yesterday afternoon) apparently shares Humphrey's view that a tripartite meeting at this stage would save time and would be the best way to start off the negotiations.

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[64] **Note marginale :/Marginal Note:**

I am not impressed by this argument in these circumstances. L.B. P[earson]

7. If you agree that I should take part in the Thursday meeting, I would not expect you to let me have detailed instructions by that time. In fact I would think it preferable for us to listen to what the others have to say and merely to raise questions or make very general comments which would give some intimation of the kinds of principles or criteria which you had in mind. For instance, I might indicate that a principal objective with us would be to work out terms which would preserve so far as possible the intentions behind the original agreement and would be viable for the rather lengthy remainder of the agreement. I might observe that probably none of us would want to find ourselves involved in further renegotiation during the life of the agreement if that can be avoided. We should presumably aim therefore at an arrangement which would, so far as can be foreseen, have enough flexibility to take care of the number of difficult years which might reasonably be anticipated, even on the assumption that sound and sensible economic policies are pursued steadily by the countries concerned. You might also feel that I should ask a question or make a comment which would imply some doubt about the equity of collecting interest on deferred interest charges, since the UK had under the original provision the right to claim a complete waiver of interest payments in the hard years.

8. I think it should be quite understandable to both the UK and USA if we do not attempt to state a definite attitude towards particular parts of the UK request or of the USA counter-proposal at this time. We might explain to the USA Treasury in advance of the meeting that as we had only two days' notice of their proposal, Canadian ministers had not had sufficient time to come to definite conclusions about it: we might assure them that although we shall not be in a position to form a common front (at least for the Thursday meeting), we shall not be presenting a concrete proposal of our own at the meeting. We may, of course, have some questions to raise but shall probably not have an opportunity to make up our minds about the best kind of provision until after the preliminary discussion.

9. It would seem to me that the above would be a reasonable and helpful basis for our participation in the first meeting. I should be grateful for your confirmation of the approach which I have suggested. If you consider that we should express more definite views at this early stage, I assume that you will let me have fairly detailed instructions.

[A.D.P.] HEENEY

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713. DEA/7763-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM E-203 Ottawa, February 7, 1957

CONFIDENTIAL. IMMEDIATE.

Reference: Your Telegram 259 of February 6, 1957.

CANADA-U.K. FINANCIAL AGREEMENT — WAIVER

Following from Plumptre: We understand that the meeting referred to in your telegram has been postponed but that you would nevertheless appreciate guidance from this end in regard to the issues raised.

2. You refer to the U.S. proposals as "pretty severe". It is true that they fall to some extent short of the U.S. position as it seemed to be emerging during the past few weeks. Nevertheless we would not be inclined to regard them so harshly as an initial USA position. A proposal involving six bisques (including the 1956 payment), interest at two per cent contrasted with current market levels, and simple not compound interest at that, might be regarded in many quarters as pretty generous. Incidentally we do not follow your suggestion that there is a departure from equity in collecting interest on deferred interest charges; the present exercise is designed to supplant completely the waiver procedure with its forgiveness of interest by a postponement procedure in which there is no presumption that interest ought to be forgiven.

3. Nevertheless we would accept and indeed aim at a final position that was a bit more forthcoming than the initial position taken by the U.S. In particular we think it desirable that there should be an additional one or preferably two bisques (1956 and seven more). As for the question of interest on interest, Mr. Harris feels that there would be a normal presumption amongst Members of Parliament and others that interest would be charged in the same way on both deferred interest and deferred principal and that any distinction between the two would require a bit of explanation; nevertheless he would accept the differentiation (and we do of course know that the U.K. are likely to be very insistent on this). To put our position on bisques and interest in general terms, we can see good reasons for ensuring that the number of bisques available is adequate to meet the real emergencies that may arise, assuming reasonably good conduct on all sides; on the other hand we do not see any reason why the bisques should actually be made financially attractive to the U.K. by converting them into loans at very low cost for the remaining duration of the agreement.

4. One of our reasons for considering the U.S. position as not unreasonable lies in your suggestion that it may contain an element of bargaining. For our part we would also like to take an initial position from which we could give some ground. Ritchie will recall Isbister's feeling that whatever bisque procedure emerged it was sure to be a great deal more useful to the U.K. than the present waiver provisions — in short a pretty valuable "concession" and that it would not be at all in our interests to hand it to the U.K. on a platter. Accordingly if a new tripartite meeting were called (and we have no objection to your attending such a meeting) it would be wise to tell the U.S. in advance quite frankly and fully what our position was in regard to both the number of bisques and the question of interest. Nevertheless we could assure them that in the meeting we would give initial support, in rather general language, to their initial proposal.

5. We had envisaged that in such a meeting the U.S. would probably at the outset explain and defend their proposal and that you might speak next. Your remarks might run along the following lines. You might emphasize the very large measure of agreement which seemed already to have emerged on a matter which had in the past been contentious and troublesome; the bisque system was now completely accepted. Of course the final package could be made up of the various ingredients in rather different proportions: number of bisques, whether 1956 payment was included or not, leap-frog or shunting, interest on deferred principal and/or interest, and finally compound or simple interest. You might indicate that Canada had a reasonable degree of flexibility in making up a package, although of course it would have to be a reasonable one and saleable to Parliament. In commenting on the U.S. proposal you might say that we had not in fact thought of this particular package; in some ways it was a little stiffer than what some Canadians had been thinking of and in other ways somewhat less stiff. In general, however, it seemed to us an acceptable package and well worth discussion. It would not be helpful for us at this stage to put in an alternative and we would very much like to know what the U.K. would like to say on the subject.

6. In addition, the general points made in your paragraph 7 might well be worked into your statement, except for the point in your final sentence on which we have commented above.

7. One final point. Mr. Harris is consulting the Prime Minister on the question whether the detailed provisions regarding bisques, interest, etc. should be precisely the same in the Canadian agreement as in the U.S. agreement or whether the former should be slightly more liberal. We shall be advising you on this matter shortly. In general, as we have already told you, Mr. Harris is disposed to maintain the existing close connection between the two agreements. Further we have reminded him of Mr. Humphrey's remark about the difficulties for the U.S. if by any chance the U.S. provisions appeared more liberal than the Canadian.

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714. DEA/50382-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 291 Washington, February 8, 1957

CONFIDENTIAL. IMMEDIATE.
Reference: Your tel E-203 Feb 7.
For Mr. Harris.
Repeat Dept of Finance.

CANADA-UK FINANCIAL AGREEMENT — WAIVER

We saw Secretary Humphrey, Burgess and Scribner this morning.

2. At the outset I said that the USA counter proposal had been considered by you and by the Prime Minister. I went on to outline the position to which we would be prepared to go, as set out in Plumptre's message and modified by the info received this morning by phone. I then explained in general terms the considerations which had weighed with us in reaching our conclusions.

3. Secretary Humphrey gave me a careful and sympathetic hearing, and then indicated that our position went somewhat further than he would be prepared to recommend, or thought it necessary to go. He was particularly concerned about our willingness to forego interest on the deferred interest payments. We discussed this aspect of the question at some length and as we did so the Secretary's thinking evolved and, I think, crystallized. He said initially that he would be prepared to consider a greater number of bisques rather than give up the interest, which would represent a not insignificant financial sacrifice and would, he thought, in any event be less useful to the UK than more deferments. Moreover, he considered that the question of interest on interest was pretty marginal from the point of view of the economic strength of the UK and "was peanuts" in relation to the support which had been mobilized for the UK in its current difficulties. To charge interest would be businesslike and not unreasonable; not to do so would be unbusinesslike and would be playing into the hands of the minority in Congress which would be opposing any revision of the agreement. He admitted that this minority was likely to be critical in any case, but thought that failure to charge interest on the deferred interest would place a good deal of ammunition at their disposal and might affect public opinion. Taking as an example the proposed defer-

ment of the 1956 interest payment, Humphrey said that there were those in the Congress who believed the payment was due and should be made promptly and that his task of securing agreement to a deferment would be made much more difficult if interest were not to be charged.

4. It was clear throughout, that the Secretary, while recognizing that the original agreement was intended to give the UK relief in years of real difficulty and while anxious that the new agreement should carry out the spirit of this intent, did not attach particular importance to the fact that the technique chosen in 1946 was to give an absolute waiver of interest due in the years in which it qualified [at one point he referred disparagingly to the agreement having been worked out in "the new deal" era by an administration whose policies were now regarded with a good deal of suspicion].

5. The Secretary finally said that the bedrock position he would be prepared to recommend, and to fight for in Congress, would be seven (7) bisques plus postponement of the 1956 interest payment, with interest to be charged on both principal and interest deferments. We explored his conclusion fully, and I think this is as far as he can be moved. Mr. Humphrey believes the above solution to be as liberal as the UK could reasonably expect; that it would give the necessary degree of flexibility; and would be fair, just and practical.

6. At the beginning of the conversation I made it clear that although we would welcome a solution to which all three parties could agree, we would be not unwilling (although certainly not anxious to do so) to recommend a revision to Parliament which went somewhat beyond the USA position if we considered that the final USA proposal failed to meet what we regarded as the requirements of the situation. At first Humphrey was inclined to the view that no great harm would be done if in the end we went our separate roads. In this connection he referred to our special ties with the UK. However, as our talk continued he moved steadily away from this position. He suggested that if our revision turned out to be more liberal than their own this would cause the Chancellor considerable difficulty in obtaining the blessing of Parliament for a less forthcoming arrangement with the USA. (Incidentally, the USA info is that it will not be necessary on the UK side to pass amending legislation in order to revise the agreement.) Humphrey's main worry, about which Burgess and Scribner were even more concerned, was that divergence between us on the interest question would stimulate the British to press them for similar treatment, that this would involve further delay and that the present occasion when for the first time in three years there was on balance a favourable climate in Congress to the revision of the agreement, would be lost.

In conclusion the Secretary, noting that he had now gone up two (2) bisques said he hoped very much that on reconsideration you and the Prime Minister would find it possible to agree that interest should be charged on deferred interest payments and so permit a common position vis-à-vis the UK.

7. I said that before determining our final position we had been anxious to know how far, in the last analysis, the USA would be prepared to go. I did not volunteer any opinion as to whether or not we would be able to meet their new proposal, and their desire for common solution, but I undertook to consult you at once.

8. Incidentally, Humphrey in the course of his remarks suggested that the British should agree to limit use of the bisques to no more than three in succession. Subsequently he made it clear that he was not thinking of this is a condition to be embodied in the revision of the agreement, but as an understanding or declaration of intention which might be dealt with in

an aide mémoire. He said he would not be surprised if the UK had to use bisques this year and next.

9. Humphrey leaves today for a vacation with the President in Georgia and is leaving Burgess and Scribner to clean up the negotiations with the British. He is most anxious that an amending agreement be signed as quickly as possible and that the necessary legislation be introduced immediately. Accordingly the USA side would be very grateful to be informed of our reaction by Monday. They would then propose to call Thorold in and to try to reach agreement with the UK with a minimum of delay.

10. As regards tactics with the British, Scribner's view was that their opening position should be the earlier five-bisque package. Subsequent willingness to raise the number of new deferments to seven (7) would, he thought, make it easier for the UK to agree to the payment of interest on interest. The Secretary opposed this suggestion as being contrary to "the way I like to deal" and "to the way I have always dealt with Harold [Macmillan] and Rab [Butler]". He said that having come to a conclusion he would not want "to haggle". He said he would prefer to tell the British that the original USA view had been that a five-bisque package would be adequate, but that after lengthy consideration and after talking with us they had moved to a seven-bisque solution. This was as far as they could go and it would be for the British to decide whether to accept or reject the proposed revision as it stood.

11. I should be glad to receive your views on the matter of tactics as well as your decision on the remaining question of substance. The problem of tactics is not easy. We will be sending you a later message† analysing the possibilities and expressing our views. As to the substance of the interest question, I consider that the Americans are not going to give in, and that the real decision before us is whether we wish eventually to go beyond them and recommend a differing revision to our Parliament with the effects which that could have on the timetable for completing the USA/UK negotiations and action by Congress. This, of course, is a judgement which we here are in no position to make.

[A.D.P.] HEENEY

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715. DEA/50382-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM 333 Washington, February 14, 1957

CONFIDENTIAL. IMPORTANT. (FOR PRIME MINISTER)
Repeat Dept Finance (for Minister).
London (Information).

UK LOAN AGREEMENTS

Because I had to leave Washington this afternoon for several days, I decided to see the British Ambassador late this morning to put to him, personally and informally, a number of points in relation to the proposals for settlement, which are now to go forward from the USA Secretary of the Treasury and the Minister of Finance. I told Burgess, the Acting

Secretary of the Treasury, of my intention, and he felt that it would be helpful for me to do so.

2. I told Caccia that, as he was aware, we had been discussing the situation actively with the Americans over the past few weeks. I had had two meetings with Mr. Humphrey before he left Washington on February 8. The result of our discussions, would I expected be communicated to him later today or early tomorrow, by Burgess, in the form of a message which he would be asked to send from the Secretary of the Treasury to the Chancellor of the Exchequer. At about the same time it was expected that the Minister of Finance would be sending a message to the Chancellor through Earnscliffe.

3. These two messages to Mr. Thorneycroft, I went on, would set out identical proposals for agreement upon amendment of the two loan agreements. It would not be appropriate for me to anticipate the nature of these proposals but I did want Caccia to know, personally, that we regarded them as fair and reasonable in all the circumstances. They were a good deal more liberal than the conditions which Mr. Humphrey had suggested at earlier stages; indeed our discussions with the USA Treasury had, I felt sure, helped materially in modifying the USA position.

4. It was important, I continued, to avoid haggling and in the interest of all three countries that settlement of this complicated and difficult affair should be made promptly while conditions were relatively favourable and also that arrangements made with the USA and Canada should be the same. For these reasons we hoped that the UK would be able to accept the suggestions which would now go forward to the Chancellor from his American and Canadian colleagues.

5. My last point was to assure Caccia that the decision to embody the USA and Canadian proposals in personal messages from the Secretary and the Minister, respectively, should be regarded as in no, repeat no, sense a reflection upon the UK negotiators in Washington. Mr. Humphrey and Mr. Harris had decided to employ the direct approach to Mr. Thorneycroft (for which there was ample precedent in such matters) so as to emphasize their own personal concern and interest in having an early and satisfactory solution in the common interest. Indeed, I thought it not unlikely that Mr. Humphrey and Mr. Harris might supplement their written communications by transatlantic phone conversations.

6. Caccia indicated that he appreciated by speaking to him personally in this way and I think the conversation may prove to have been helpful, although, of course, he gave no indication of what he thought the UK reactions would be. He quite understood the reasons why the subject was being dealt with directly at the ministerial level. He also shared the view that it was most desirable to have the matter settled quickly if possible. He recognized that protracted negotiations would not be helpful in present circumstances.

7. Please deliver copies of this telegram, promptly, to the Prime Minister and the Minister of Finance.

[A.D.P.] HEENEY

716.

DEA/50382-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM E-238

Ottawa, February 14, 1957

CONFIDENTIAL. IMPORTANT.

Repeat Washington, Permis New York (for Minister).

CANADA-U.K. LOAN AGREEMENT — WAIVER

Following for your information is text of message Mr. Harris is sending Mr. Thorneycroft through Earnscliffe tonight. (See also my telegram E-239).

Text begins: "On January 3 I received from Sir Saville Garner a letter outlining the proposals of the U.K. Government for amendment of the financial agreement of 1946 between Canada and the U.K. The same proposals were, I understand, put to the U.S. Government.

The two agreements as originally negotiated are intimately connected and contain the same basic provisions. I think there is considerable merit in retaining this element of close similarity in any new arrangements which are worked out. Accordingly, as you are aware, I have been keeping in close touch with the U.S. Secretary of the Treasury in exploring the proposals which you made to us both.

I would now propose that, in place of the present provision in the Canada-U.K. agreement for the waiving of interest, there should be provision that the U.K. Government at its own option would be granted deferments of both the capital and interest payments. The number of such possible deferments should be seven, in addition to the 1956 instalment of interest which would also be deferred in the same manner. The amounts so deferred should be payable in the years immediately following the year in which the last payment is due under the present schedule of repayment. Interest at the rate of two per cent should be paid annually on amounts so deferred.

I believe that the foregoing amendment would be both reasonable and appropriate in all the circumstances and that it would be acceptable in Canada.

I understand that Mr. Humphrey is putting forward the same proposal. I know that he has discussed this matter carefully both with our representatives in Washington and with congressional leaders.

In the light of all these considerations I hope that you will be able to accept our proposal for revision of the agreement.

I would like to raise one other matter. In his letter to me of January 3, Sir Saville Garner stated that it would not be the intention of your Government to use all the available deferments in the years immediately succeeding the revision of the agreement. I was pleased to receive this indication of your intention. It underlines the objective, which I believe to be shared by our two Governments, of reinstating the element of flexibility in the Financial Agreement. With this common purpose in mind, I would hope that you would adopt the same attitude towards the use of deferments in any short period of time throughout the life of the agreement." Text Ends.

717. DEA/50382-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to United Nations

TELEGRAM E-252 Ottawa, February 18, 1957

CONFIDENTIAL. IMPORTANT.
For the Minister.
Reference: My tel E-238 Feb 14.
Repeat Washington, London.

CANADA-U.K. LOAN AGREEMENT — WAIVER

Although Mr. Harris has not yet received the Chancellor's official reply we have learned informally from Earnscliffe that Mr. Thorneycroft has accepted the proposal "briefly".

2. We will send you the text of the reply as soon as we receive it.[65]

SUBDIVISION III/SUB-SECTION III

ÉTABLISSEMENT D'UNE « CANADA STATION »
ESTABLISHMENT OF A "CANADA STATION"

718. DEA/50363-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 891 London, July 3, 1956

CONFIDENTIAL

The following letter has been received by the Prime Minister here from Sir Anthony Eden. The Prime Minister will wish to discuss this with Mr. Campney upon his return to Ottawa. No discussion of the substance of the matter has taken place here as yet, although Admiral Mountbatten has spoken to Mr. Pearson about it as well, and it seems clear that the British naval authorities are attaching considerable importance to it.

2. A copy of this telegram will, of course, be available to the Canadian Joint Staff here.

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[65] Le 10 avril 1957, la Chambre des communes a adopté le projet de loi C-238 (Loi modifiant la Loi de 1946 sur l'accord financier avec le Royaume-Uni), qui a reçu la sanction royale le 12 avril. L'accord est entré en vigueur par suite d'un échange de notes le 29 avril. Voir Canada, *Recueil des traités*, 1957, Nº 2.

Bill C-238, an Act to amend the United Kingdom Financial Agreement Act of 1946, was passed by the House of Commons on April 10, 1957, and received Royal Assent on April 12. The Agreement came into force by Exchange of Notes on April 29. See Canada, *Treaty Series*, 1957, No. 2.

3. We will be bringing along the chart referred to in Sir Anthony's letter on our return, but the chief point of significance is that it shows an area marked "Canada" on the Atlantic side north of a line drawn east to west through Bermuda, and an area marked "Canada" on the Pacific side north of a line that appears to be the 10 degree south latitude line. This Pacific area extends north to include most of the Aleutian Islands and the westerly boundaries are no doubt familiar to the naval authorities in Ottawa. Text of letter begins:

"I believe that when the First Sea Lord visited Ottawa last October, he mentioned to you what a help it would be if a Canada Naval Station could be formed within the world-wide Commonwealth framework of naval stations.

"2. At present we are reorganizing our naval command structure on the America and West Indies Station and we are proposing to create a limited West Indies Station in the Caribbean area. The southern part of the existing A. & W.I. Station will come under the Commander-in-Chief, South Atlantic, and we very much hope that you will be prepared to take over the northern part as a Canada Station. This would be bounded in the Atlantic by the boundary of the home station and a line drawn to the West through Bermuda and in the Pacific by the boundary of the Far East and New Zealand Stations and the parallel of 10 degrees south. The boundaries which we suggest are shown on the attached chart. You will see that we have excluded all the West Indies colonies from the area suggested and Bermuda, too, would remain under R.N. control, but the self-refit facilities would be fully at the disposal of the R.C.N.

"3. It would be appropriate from the Commonwealth point of view if there were a Canada Station just as there are the Australia and New Zealand Stations. We also feel that it is a logical development from the expansion of the R.C.N. and its great increase in size and importance. I hope these proposals commend themselves to you, and I should be very glad to let you have any more details you may require.

"4. Another question which I hope we might cover at the same time is the future of *H.M.C.S. Magnificent*. I understand that on taking over *H.M.C.S. Bonaventure* at the end of this year there is the possibility that you will wish to return to us *H.M.C.S. Magnificent* which has been on loan to the Royal Canadian Navy since 1948. We hope very much that the R.C.N. will be able to keep *Magnificent* in Canada, preferably, of course, in the active fleet, but alternatively in reserve if you are unable to run her operationally. If *Magnificent* is returned to us, we shall have neither money nor manpower to maintain her and inevitably in a few years she will rot away. This would be a sad loss to the reserve strength of Commonwealth and NATO carriers." Text ends.

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719. DEA/50363-40

Le premier ministre
au premier ministre du Royaume-Uni

Prime Minister
to Prime Minister of United Kingdom

CONFIDENTIAL Ottawa, August 2, 1956

Dear Sir Anthony [Eden]:

Since returning to Ottawa, I have had an opportunity to take up with the Minister of National Defence the letter you sent to me in London dated July 1st relating to naval matters.

In regard first to the *Magnificent*, I regret to say that we are in much the same position as you are. Our Navy will not have either the money or manpower to maintain her, as they feel that they must give higher priority to other ships, once they have acquired the *Bonaventure*. In these circumstances, it seems better that we should return her to you as planned, even though she will not last for long.

On the other matter, that of our Navy forming a "Canada Station" from part of your "America and West Indies Station", I find that we do not have here sufficient information to understand what the proposal really means. We do not know what responsibilities and obligations you would expect us to undertake in connection with this station.

Our Navy has some knowledge of the peacetime role of your naval units on certain of your stations but not sufficient to be a guide to what our role would be in respect of this new station. They have no information on the functions performed by the Australian and New Zealand Navies in connection with the Australia and New Zealand Stations. Moreover, this Canada Station would include, we understand, no colonies or other territory for which the United Kingdom is responsible, and nearly all of it is contiguous to Canada and the United States, which do not seem likely to give rise to trade or commercial or consular problems requiring any assistance from the naval side.

It would be helpful, therefore, if you could send, either directly or through naval channels, information as to what you would expect of us if we undertook to form the Canada Station that the First Sea Lord has proposed. It would be appreciated if this information could be as specific as possible and related to the nature of this particular proposed station.

Yours sincerely,
LOUIS S. ST-LAURENT

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720. DEA/50363-40

Le premier ministre du Royaume-Uni
au premier ministre

Prime Minister of United Kingdom
to Prime Minister

London, September 3, 1956

My dear Prime Minister,

In my letter of August 9,† I promised to let you have details of our proposal about the "Canada Station" as soon as I could.

We visualize the main task of the British Commander-in-Chief of a Station as being to maintain British Naval influence and participation in all matters relating to Commonwealth policy. The Commander-in-Chief of the proposed "Canada Station" might, therefore, maintain Canadian Naval influence in the same way.

The kind of activity which British Commanders-in-Chief might initiate would include:

(a) The protection of Commonwealth lives and property which might be endangered by local disturbances.

(b) Relief aid to Commonwealth (or foreign) communities affected by natural disasters such as earthquakes or hurricanes.

(c) Help for Commonwealth merchant shipping in any emergency or distress.

(d) Promoting ties with other countries by Naval visits.

There are not likely to be many occasions on which the emergency tasks, set out above, would arise in the area envisaged for the Canada Station. At the same time, they might arise and we feel that it would be appropriate if the Royal Canadian Navy now assumed responsibility for them. Australia and New Zealand are responsible for these tasks on their own Stations.

Another point is that within the proposed Canada Station, naval reports on merchant shipping, movements and routine information would be sent through the Director of Naval Intelligence, Ottawa. Information from our people in the United States already passes this way and, under the new arrangement, some half dozen British Consular reporting authorities on the Western seaboard of Mexico, Panama, and certain other South American States would go direct to Ottawa. Other general intelligence now dealt with by the Commander-in-Chief, America and West Indies, would also be dealt with by your Director of Naval Intelligence.

I hope that this explanation will make the position clear and that you will now feel able to agree to form the proposed Station.

Yours sincerely,
ANTHONY EDEN

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721. DEA/50363-40

Le sous-secrétaire d'État aux Affaires extérieures au président du Comité des chefs d'état-major

Under-Secretary of State for External Affairs to Chairman, Chiefs of Staff Committee

SECRET Ottawa, January 3, 1957

Dear General Foulkes,

CANADA STATION

We have studied the draft† Memorandum for Cabinet Defence Committee on which we were asked to comment in a letter† dated December 3 from the Secretary of the Chiefs of Staff Committee. In general I agree that we should do what we can to comply with the U.K. request. The Atlantic area which it is proposed the RCN should take over does not give rise to any particular political problems. The Pacific area, covering coastline of ten Latin American countries, does present, to my mind, political considerations of some importance, to which I shall refer below, commencing with paragraph 6.

2. In the first four paragraphs of the draft Memorandum, which outline the United Kingdom request, I should like to suggest two changes for the sake of completeness:

(a) First sentence of paragraph 3 to read: "... be undertaken by Canada 'within the world-wide Commonwealth framework of Naval Stations' and that this area be known as the "Canada Station".

(b) In paragraph 4, replace "The general responsibilities inherent in accepting this proposal by Canada would be as follows:" by: "The main task of the Canadian Commander-in-Chief of the "Canada Station", as described in a subsequent letter on September 9 from Sir Anthony Eden, would be 'to maintain (Canadian) Naval influence and participation in all matters relating to Commonwealth policy'. Sir Anthony further described the sort of responsibility involved as including:".

3. The remaining five paragraphs of the draft Memorandum are devoted to an examination of the military implications of the U.K. proposal, leading to the conclusion that, from the military standpoint, it has no important advantages or disadvantages, and that the Chiefs of Staff have therefore decided that there are no military objections to accepting the responsibilities as outlined. My comments on these paragraphs are as follows.

4. Paragraph 5 states that the responsibilities outlined in paragraph 4(a), (b), (c) and (d) would not entail any additional (military) commitments for Canada. I feel, however, that 4(a) concerning "the protection of Commonwealth lives and property which might be endangered by local disturbances" is subject to possible misinterpretation. As it stands, it could I think be interpreted as meaning that in certain circumstances the RCN might be expected to land an armed party to protect Commonwealth citizens and property. This in turn implies that Canada might be assuming a military responsibility in the Latin American area which has not hitherto existed or been considered, and quite unacceptable. Our responsibility under (a) should in my view be limited to participation by the RCN in the evacuation of Commonwealth (and other) nationals in an emergency, and should be clearly stated as such.

5. I am also concerned about the possible implications of the suggestion in 4(c) that the RCN would provide help for Commonwealth merchant shipping "in any emergency or distress". For example, the area of the proposed "Canada Station" includes the contiguous waters of part of Peru. That country claims jurisdiction in respect of fishing over an area extending 200 miles off its shores, and Peruvian Naval vessels have, on occasion, seized fishing vessels within that area. This Peruvian claim has not been accepted by most other countries, but pending clarification of jurisdiction in the area, it would be undesirable for the Royal Canadian Navy to accept any responsibility involving or implying the possible protection of Commonwealth fishing vessels from seizure by the Peruvian Navy. I suggest, therefore, that 4(c) be rephrased to eliminate any ambiguity on this point.

6. In addition to the military implications of this proposal, I think that the possible political implications require careful consideration. In Sir Anthony's letters of July 1 and September 9, the phrases "within the world-wide Commonwealth framework of Naval Stations" and "in all matters relating to Commonwealth policy" could, if unexplained, easily lead to a misunderstanding of the role which we were assuming. We would, I think, have to make it clear to the U.K. authorities that we were not anxious to relate these responsibilities to terms of reference such as "Commonwealth policy" or "Commonwealth framework of Naval stations". Certainly I doubt the advisability of adopting the name "Canada Station" or of appointing a Commander-in-Chief for such a station. (In any case, would the East and West Coast Commanders not have to have equal responsibilities in relation to their respective areas?) Furthermore, I think we would have to make clear that, while most willing to confer with the U.K. and other Commonwealth naval authorities on our possible naval activities in the areas involved, we were preserving our freedom to decide on a course of action in given circumstances.

7. This I think is particularly important because the Pacific area concerned covers 10 Latin American countries. We must therefore keep carefully in mind their possible reaction to our naval activities in waters off their shores, which could in turn affect our standing in the whole of Latin America. In Latin America, as elsewhere in the world, we are continually at pains to emphasize that we are free agents and our too obvious participation in a

"Commonwealth framework of Naval stations" could easily be misunderstood by Latin Americans.

8. Naval visits provide a good example of the possible difficulties which we must attempt to envisage in advance. I can imagine that we may receive suggestions from the U.K. authorities that it would be desirable for the RCN to visit certain Central American countries. We, on the other hand, have in general followed a policy of not visiting Central America, where as yet we have no diplomatic representation. We have requests on hand with which we cannot at present comply from several Latin American governments, including three in Central America, to exchange diplomatic representatives, and would not want to suggest by a naval visit at this stage that we were giving more favourable treatment to one Central American country than another. Until these questions of diplomatic exchange are resolved, it is, I think, in our best interests to avoid such visits, and we ought to make this clear to the U.K. authorities.

9. In addition, paragraph 6 of the draft Memorandum has a number of political implications, and we would like an opportunity of discussing certain amendments with the Director of Naval Intelligence.

10. Because of the importance of the political considerations relating to this proposal, it seems to me desirable that the submission to Cabinet Defence Committee should be made jointly by Mr. Campney and Mr. Pearson. I should be grateful if you could let me know whether you agree with this. If you agree, I shall be glad to have a new draft prepared in this Department.

11. I am sending copies of this letter to Mr. Bryce and Mr. Taylor since Mr. St. Laurent and Mr. Harris have previously been consulted on this subject.

Yours sincerely,

JULES LÉGER

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722. DEA/50363-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], January 11, 1957

CANADA STATION

You may recall that you approved a week ago a letter which I then sent to General Foulkes containing this Department's comments on a draft Memorandum to Cabinet Defence Committee prepared by the Department of National Defence on this subject.

2. Officials of this Department and the R.C.N. met today to consider the attached redraft† of the Memorandum to Cabinet Defence Committee prepared in this Department in the light of my letter to General Foulkes. The main difficulties raised for us by the United Kingdom proposal follow from the inclusion in the proposed Pacific area of the coastline of ten Latin American countries. The meeting was informed that the Chief of Naval Staff had discussed this problem with a number of his officers and had indicated his preliminary approval of a suggestion that, to enable Canada to make a positive rather than a lukewarm reply, we should propose drawing the line on the Pacific side much further north so that it would hit the North American coastline at the border between Mexico and the United

States. In this way all ten Latin American countries would be eliminated together with the political problems related to their inclusion in the Pacific area. It was agreed at today's meeting that this suggestion offered a practical and sensible way around the difficulties.

3. It was also agreed at the meeting that we might propose instead of the term "Canada Station" some such designations as "Northwest Atlantic Station" and "Northeast Pacific Station".

4. I should be grateful to know whether you would agree to the further redrafting of the Memorandum to Cabinet Defence Committee along the above lines, and to its consideration by the Cabinet Defence Committee, assuming it receives the necessary approval of the Department of National Defence, without further reference to yourself.[66] The Department of National Defence is hopeful that this submission can be considered at the next meeting of the Cabinet Defence Committee which, as you know, has been scheduled tentatively for Monday, January 21.

J. L[ÉGER]

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723. DEA/50363-40

Le sous-secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Under-Secretary of State for External Affairs
to High Commissioner in United Kingdom

LETTER DL-246 Ottawa, February 26, 1957

SECRET

Reference: Your telegram 891 of July 3, 1956.

UNITED KINGDOM PROPOSAL FOR ESTABLISHMENT OF A CANADA STATION

Your telegram under reference contained the text of a letter from Sir Anthony Eden to Mr. St. Laurent, dated July 1, 1956, containing a proposal that the responsibility for an area in parts of the North Atlantic and Pacific Oceans be undertaken by Canada "within the world-wide Commonwealth framework of naval stations" and that this area be known as the "Canada Station". The letter also proposed that the RCN should continue to operate HMCS MAGNIFICENT instead of returning her to the RN when HMCS BONAVENTURE came into service.

2. Sir Anthony Eden and Mr. St. Laurent subsequently exchanged letters on these proposals, using Earnscliffe as the channel. Mr. St. Laurent's letter of August 2 (copy attached) declined the request that the RCN continue to operate the MAGNIFICENT and requested additional information concerning the "Canada Station" proposal. Sir Anthony replied on September 3, a copy of his letter is attached.

3. Since then the "Canada Station" proposal has been carefully considered here. The conclusions reached are contained in the attached memorandum to Cabinet Defence Committee which recommends that the UK proposal "for the assumption by the RCN of certain responsibilities in specified parts of the North Atlantic and Pacific Oceans" be accepted with the following changes:

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[66] Note marginale :/Marginal Note:
Yes L.B. P[earson]

(a) instead of "Canada Station", the areas in question would have some such designation as "Northwest Atlantic Station" and "Northeast Pacific Station";

(b) the southern limit of the Pacific area would follow the parallel of latitude which meets the North American coast at the boundary between the United States and Mexico.

4. This recommendation has now been approved by the Cabinet and it has been decided that the decision of the Canadian Government should be communicated to the United Kingdom Government through the normal diplomatic channel. Would you please therefore do this, in consultation with Commodore Brock, who will be receiving instructions from the Department of National Defence to take the matter up also through service channels.

R.M. MACDONNELL
for Under-Secretary of State
for External Affairs

[PIÈCE JOINTE 1/ENCLOSURE 1]

Note du secrétaire d'État aux Affaires extérieures pour le Comité du Cabinet sur la défense

Memorandum from Secretary of State for External Affairs to Cabinet Defence Committee

CABINET DEFENCE COMMITTEE NO. D-6-57 Ottawa, January 25, 1957

SECRET

U.K. PROPOSAL FOR ESTABLISHMENT OF A CANADA STATION

Until the end of World War II the British Naval Organization was based on world-wide areas of operational and administrative responsibility known as "Naval Stations". Each station was commanded by a Commander-in-Chief and each station included a major Naval base in Commonwealth or Colonial territory.

2. After World War II the lessening of British Naval influence throughout the world and the necessity for drastic economies prompted the British Government to propose that certain areas in the Pacific be made the responsibility of the Australian and New Zealand Navies, to be known as the Australia and New Zealand Stations. These proposals were accepted by the Australian and New Zealand Governments and are now in effect. The areas of these Stations are shown on the map attached as Appendix "A"†.

3. On July 1, 1956 the Prime Minister of the United Kingdom proposed to the Prime Minister of Canada that the responsibility for an area in parts of the North Atlantic and Pacific oceans be undertaken by Canada "within the world-wide Commonwealth framework of Naval Stations" and that this area be known as the "Canada Station" (see Appendix "A").

4. The main task of the Canadian Commander-in-Chief of the "Canada Station", as described in a subsequent letter on September 3 from Sir Anthony Eden, would be "to maintain [Canadian] Naval influence and participation in all matters relating to Commonwealth policy". Sir Anthony further described the sort of responsibility involved as including:

(a) the protection of Commonwealth lives and property which might be endangered by local disturbances;

(b) relief aid to Commonwealth (or foreign) communities affected by natural disasters such as earthquakes or hurricanes;

(c) help for Commonwealth merchant shipping in any emergency or distress;

(d) promoting ties with other countries by Naval visits;

(e) the administration of the merchant ship reporting organization.

5. The only military advantage offered to Canada in the proposed new Station is the provision of naval facilities at Bermuda, which include berthing space, the use of a fueling installation and some recreational facilities. This is of minor importance as the Royal Canadian Navy is already using these facilities at no cost through informal arrangements with the Royal Navy; the effect of this proposal, if accepted, will be to make the facilities continuously available by formal agreement at no cost.

6. In general, on political grounds, it would appear desirable to do what we can to comply with the U.K. request. However, in its present form it presents a number of difficulties, both political and military, which are outlined in Appendix "B". These relate to the adoption of the name "Canada Station" and to the fact that the proposed Pacific area covers the coastline of ten Latin-American countries.

7. In view of these difficulties, it is considered that the most positive reply which can be made is that the Canadian Government would be pleased to accept the U.K. proposal, as outlined in Sir Anthony Eden's letters of July 1 and September 3, 1956, with the following two changes;

(a) instead of "Canada Station", the areas in question would have some such designation as "Northwest Atlantic Station" and "Northeast Pacific Station";

(b) the southern limit of the Pacific area would follow the parallel of latitude which meets the North American coast at the boundary between the United States and Mexico (as shown in Appendix "A").

8. The Chiefs of Staff Committee considers that there are no military objections to accepting the U.K. proposal with the changes outlined in paragraph 7. Within the boundaries proposed in paragraph 7(b) it is considered that the responsibilities outlined in paragraph 4(a), (b) and (c) would entail no additional commitments for Canada, for even under present arrangements the Canadian Government would undoubtedly provide assistance to Commonwealth nationals or merchant shipping in the proposed Canadian areas in the same way that the United Kingdom, Australian and New Zealand Governments would provide assistance for the whole Commonwealth including Canada in the areas for which they are responsible. Insofar as paragraph 4(d) is concerned, this responsibility would be met by the normal training cruises now carried out by the Royal Canadian Navy and no additional commitment is involved. As regards paragraph 4(e), the merchant ship reporting organization in North America has been centred in the Ottawa Intelligence area since before World War II. This organization handles reports of movements and makes possible the control of merchant vessels in war. Canada has been and is responsible in wartime for all North American ports north of the Mexican border.

9. *It is recommended* that the U.K. proposal for the assumption by the RCN of certain responsibilities in specified parts of the North Atlantic and Pacific oceans be accepted, with the changes outlined in paragraph 7 above.

Secretary of State
for External Affairs

Minister of National
Defence

[PIÈCE JOINTE 2/ENCLOSURE 2]

Appendice B

Appendix B

SECRET

DIFFICULTIES IN THE U.K. PROPOSAL FOR ESTABLISHMENT OF A CANADA STATION

The difficulties in the U.K. proposal are of two kinds — those related to the adoption of the name "Canada Station", and those arising from the fact that the proposed Pacific area covers the coastline of ten Latin-American countries.

2. As regards the adoption of the name "Canada Station", this must be considered in relation to the use by Sir Anthony Eden in his letters of July 1 and September 3, 1956, of the phrases "within the world-wide Commonwealth framework of Naval Stations" and "in all matters relating to Commonwealth policy". If we assume the proposed responsibilities, it is thought that our best interests would not be served by relating them any more closely than necessary to terms of reference such as "Commonwealth policy" or "Commonwealth framework of Naval Stations", which could easily be misunderstood by other countries such as the United States. The possibility of such a misunderstanding arising would appear to be less if the term "Canada Station" were not applied to the proposed areas of Canadian responsibility and if no Commander-in-Chief were appointed — in fact the east and West Coast Commanders would have equal responsibilities in their respective areas. The avoidance of the designation "Canada Station" would also make it easier for us to adopt the position that, while most willing to confer at any time with the U.K. and other Commonwealth naval authorities on our possible naval activities in the areas of Canadian responsibility, we were preserving our freedom to decide on a course of action in given circumstances. If the Pacific area were to cover Latin-American countries, the above considerations would also apply to our relations with them. In Latin-America, as elsewhere in the world, we are continually at pains to emphasize that we are free agents and our too obvious participation in a "Canada Station" within a "Commonwealth framework of Naval Stations" could easily be misunderstood by Latin-Americans.

3. The ten Latin-American countries involved are Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Colombia, Ecuador and part of Peru. As it stands the responsibility outlined in paragraph 4(a) might be interpreted as meaning that in certain circumstances the RCN might be expected to land an armed party in one of these countries to protect Commonwealth citizens and property. This in turn implies that Canada might be assuming a military responsibility in the Latin-American area which has not hitherto existed or been considered and which would appear to be quite unacceptable. It is felt, therefore, that if the Latin-American area is retained, our responsibility under paragraph 4(a) would have to be re-stated as follows:

"(a) participation in the evacuation of Commonwealth (and other) nationals in an emergency".

4. If the Latin-American area were retained, paragraph 4(c) would require some qualification. For example, Peru claims jurisdiction in respect of fishing over an area extending 200 miles off its shores, and Peruvian Naval vessels have, on occasion, seized fishing vessels within that area. This Peruvian claim has not been accepted by most other countries, but pending clarification of jurisdiction in the area, it would be undesirable for the Royal Canadian Navy to accept any responsibility involving or implying the possible protection

of Commonwealth fishing vessels from seizure by the Peruvian Navy. Paragraph 4(c) would therefore have to be amended along the following lines:

"(c) help for Commonwealth merchant shipping in an emergency or distress, excepting seizure of fishing vessels for fishing in waters where the jurisdiction is unclear."

5. Paragraph 4(d) concerning naval visits could also give rise to difficulties in the Latin-American part of the Pacific area. For example, we might receive suggestions from the U.K. authorities that it would be desirable for the RCN to visit certain Central American countries. We, on the other hand, have in general followed a policy of not visiting Central America, where as yet we have no diplomatic representation. We have requests on hand with which we cannot at present comply for several Latin-American governments, including three in Central America, to exchange diplomatic representatives, and would not want to suggest by a naval visit at this stage that we were giving more favourable treatment to one Central American country than another. Until these questions of diplomatic exchange are resolved, it is in our best interests to avoid such visits and we might have to make this clear to the U.K. authorities.

6. As regards paragraph 4(e) concerning the administration of the merchant ship reporting organization, we have not received adequate information from the U.K. authorities. However, from what we do know, it appears that this subject has a number of political implications which make it desirable that it be given further consideration before we agree to assume any responsibilities in Latin-American countries of the kind envisaged. For example, we are not clear as to the nature of the reporting organization in peacetime, and precisely how it would function. If the reporting organization consists of private individuals based in Latin-American ports where Canada has no consular representation, it would probably be unacceptable politically, since the Canadian Government would in effect be employing unofficial agents.

SUBDIVISION IV/SUB-SECTION IV

SURVOLS POUR VÉRIFIER L'AVANCEMENT DE LA TECHNOLOGIE NUCLÉAIRE
NUCLEAR OVERFLIGHTS

724. DEA/11697-J-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM DL-974 Ottawa, June 29, 1956

SECRET. IMPORTANT.

RAF FLIGHTS THROUGH CANADA FOR UNITED KINGDOM HYDROGEN BOMB TEST

We have received from Earnscliffe an informal request for agreement in principle to flights through Canadian territory by certain aircraft engaged in the forthcoming United Kingdom hydrogen bomb tests scheduled to take place in the Central Pacific in 1957. With the approval of the Acting Minister and Mr. Campney, it was decided to apply the same procedure as that followed in the case of United States Air Force flights of this nature. As a consequence, Earnscliffe has been advised informally that aircraft which are not repeat not carrying nuclear components may fly through Canada on the basis of individual flight clearances arranged in the usual way through service channels. The reply went on to say that it was considered that authorization for the transport of nuclear components of atomic or hydrogen weapons should be requested on an individual flight basis through diplomatic channels. It was suggested that if the U.K. authorities wish to do this, the details of the request should be submitted to the Department of External Affairs for consideration by the Government well in advance of the proposed time of flight.

2. Copies of the correspondence have been sent to you by bag. In the meantime it would be appreciated if you would draw this to the attention of the Minister.

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725. DEA/50369-40

Note du haut-commissariat du Royaume-Uni

Memorandum by High Commission of United Kingdom

SECRET Ottawa, January 8, 1957

UNITED KINGDOM HYDROGEN BOMB TESTS[67]

STAGING FACILITIES THROUGH CANADIAN AND UNITED STATES TERRITORY

As the Canadian Government are aware, the first full-scale United Kingdom tests of megaton weapons are scheduled to take place in the Central Pacific in the summer of this year. A suitable site has been found near Malden Island some 3,000 miles north-east of New Zealand and clear of all inhabited islands. The Australian and New Zealand Governments have agreed to provide various forms of aid and support from Australian and New Zealand territory.

2. The United Kingdom Government are grateful for the authorisation already granted by the Canadian Government for flights through Canadian territory by certain aircraft engaged in the operation. In granting this permission the Canadian Government asked that, if it was desired to transit Canada with aircraft carrying nuclear components of atomic or hydrogen weapons, authorisation for such flights should be requested through diplomatic channels on an individual flight basis.

3. Planning for the transport of components to Christmas Island was originally based on the assumption that all the components would be taken from the United Kingdom to Christmas Island on the east-about route via the Middle East and Singapore, and that some of them at least would go by ship. But events in the Middle East have made it manifestly undesirable to rely upon the use of the east-about route for the transport of highly secret materials, and it is clear also that the components will not be finished in time to be taken to Christmas Island by sea. The United Kingdom Government are therefore anxious to transport the material for weapons by the west-about route using military airfields in Canada and the United States.

4. Attached as an Annex† is a statement showing the flights of aircraft which would be involved in the transport of nuclear and non-nuclear material to and from the testing site, together with an indication of the degree of risk involved. The material would consist of radio-active material outward-bound, samples of radio-active cloud eastward-bound, ordi-

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[67] Note marginale :/Marginal Note:

Mr. Léger: This was left with me by Garner this morning. I told him we would look into it at once and try to work out something along the lines of arrangements we had with the USA. L.B. P[earson] nary high explosive material and certain electronic parts. It will be seen from the Annex that the flights would carry only components for weapons (for assembly at Christmas Island). There is no question of transporting complete nuclear weapons across Canada, and there is no risk of a nuclear explosion of any sort. There is a remote risk of local radio-active and toxic contamination from the burning of certain materials should the aircraft concerned crash and catch fire. The transport of radio-active cloud eastward-bound would involve no danger in any circumstances.

5. It is not possible at this time to provide more exact information about the individual flights than is contained in the Annex; but the United Kingdom authorities would, of course, send full details of all flights, including numbers and types of aircraft, to the Canadian authorities well in advance of the flights taking place.

6. It is contemplated that the aircraft would fly on from Canada to Christmas Island via Travis Airfield at San Francisco and Hickam Airfield at Honolulu, and an approach is being made to the United States Government for these facilities.

7. The United Kingdom Government would accordingly be glad to learn whether the Canadian Government would agree to authorise flights across Canada of aircraft carrying radio-active material in connection with the forthcoming United Kingdom weapon tests, on the understanding that full details of all individual flights would be notified to the Canadian authorities well in advance of the flights taking place. The Canadian Government will appreciate the high importance which the United Kingdom Government attach to this operation as a part of their general defence programme, and the United Kingdom Government very much hope that the Canadian Government will be able to give a favourable reply.

8. If so, there are various details on which the United Kingdom Government would be glad to learn the wishes of the Canadian Government.

(i) Would the Canadian Government wish aircraft carrying nuclear components to use the same military airfields at Goose Bay and at Namao, near Edmonton, which are, by agreement with the Canadian authorities, now being used by aircraft flying for normal reinforcement purposes in connection with the operation and not carrying nuclear components?

(ii) The components would be escorted throughout by scientific officials of the Atomic Weapons Research Establishment and by the R.A.F. crews who would be flying the aircraft; but it would be very helpful if the Canadian Services could provide suitable guard detachments at the military airfields where the aircraft would land for refuelling.

(iii) It is assumed that the Canadian Government would not wish the aircraft to the inspected by Canadian Customs or other authorities, but the United Kingdom Government would be glad to have confirmation of this.

9. It is assumed that flights of aircraft carrying material other than radio-active material (details in paragraphs 2 and 3 of the Annex) are covered by the authorisation already granted by the Canadian Government; but details of individual flights will of course continue to be supplied in advance through Service channels.

[SAVILLE GARNER]

726. DEA/50369-40

Le sous-secrétaire d'État aux Affaires extérieures
au secrétaire du Cabinet et au président du Comité des chefs d'état-major

Under-Secretary of State for External Affairs
to Secretary to Cabinet and to Chairman, Chiefs of Staff Committee

TOP SECRET Ottawa, January 11, 1957

UK HYDROGEN BOMB TESTS — STAGING FACILITIES THROUGH CANADIAN TERRITORY

The attached memorandum on the above subject was left by the United Kingdom High Commissioner with Mr. Pearson on January 8. Mr. Pearson told the United Kingdom High Commissioner that the Canadian Government would look into the matter at once, and try to work something out along the lines of arrangements which we had with the United States on similar overflights.

2. The United Kingdom request is for permission to overfly Canadian territory with and to land UK aircraft transporting radio-active material. Their current estimate is that five flights between March 19 and June 6 would be necessary, three of which would be single aircraft flights, and two of which would be flights of two aircraft. The UK submission includes the following assurance: "There is no question of transporting complete nuclear weapons across Canada, and there is no risk of a nuclear explosion of any sort. There is a remote risk of local radio-active and toxic contamination from the burning of certain materials should the aircraft concerned crash and catch fire." High explosive material would be transported as well as radio-active material. An approach is also being made by the United Kingdom to the United States Government for use of US facilities at San Francisco and Honolulu.

3. In our estimation the following points are relevant to our consideration of the United Kingdom request:

(a) A new dimension is added to the safety factor involved in an overflight of Canadian territory. SAC flights of a similar nature have, in the main, been north-south flights. The route for UK aircraft would be right across Canada, with whatever that might mean in the way of passage over settled areas.

(b) The landing in Canada of aircraft carrying nuclear components will have to be faced for the first time. So far as we are aware SAC aircraft carrying nuclear components have not landed in Canada. The possibility of non-scheduled landings will have to be borne in mind.

(c) In handling the UK request consideration will have to be given to precedents which we may be establishing for any later arrangements which we might wish to make with the United States, concerning the overflight by and landing of aircraft carrying nuclear components. In the MB.1 rocket case we have required an exchange of notes with the US, and have set our specifically the conditions under which it may be used over Canadian territory.[68]

(d) There will probably be some requirement for us to consult with the US if the UK aircraft is to land at a field jointly occupied by Canadian and US Services. The UK note mentions Goose Bay specifically, and its use would probably require consultation not only with the RCAF, but with the USAF and the Department of Transport. Use of a field controlled by the Department of Transport would raise problems additional to those which we face in the use of military airfields, since DOT safety regulations are more elaborate than service regulations.

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[68] Voir Volume 23, Chapitre premier, 2ième partie, section a.
See Volume 23, Chapter 1, Part 2, Section a.

(e) We should perhaps give the same attention to the question of the publicity which may be attached to overflights of this sort over Canadian territory, as we have given to the matter of public relations in connection with the MB.1 rocket case.

(f) It would seem wise to stick as closely to procedures governing the overflight by SAC as we can. The UK flights could be equated to "Y" type flights which require government-to-government clearance of the programme, individual flight plan notification to Air Force Headquarters, and the use of distinctive code words. Use of these procedures would seem to be recommended for reasons both of efficiency, i.e. the use of established channels, and consistency, i.e. as between the UK and US.

4. Heretofore our handling of SAC requests of a similar nature have been dealt with exclusively between this Department, the Privy Council and the Department of National Defence. It would seem to us in this case that this consultation should be extended to include at least the Department of Transport and the Department of National Revenue. Perhaps the Department of National Health and Welfare should also be consulted. I should be grateful to have your views.

5. The United Kingdom request will have to be considered eventually by the Prime Minister and the Cabinet. I should be grateful to have your views before a submission to higher authority is prepared. I think we must assume that the Government would wish to give a favourable reply to the United Kingdom. If that assumption is correct our main task is to be certain that the arrangements which we will make with the UK for the overflight and landings should meet all essential Canadian requirements, and that we should be consistent in our treatment of UK and US requests of a similar type. I should be glad to have your comments on the points outlined above in addition to any other points with respect to the subject which may occur to you. Since there is a certain urgency attached to the subject I should be grateful to have your views in the near future.

R.M. MACDONNELL
for Under-Secretary of State
for External Affairs

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727. DEA/50369-40

Le président du Comité des chefs d'état-major
au sous-secrétaire d'État suppléant aux Affaires extérieures

Chairman, Chiefs of Staff Committee,
to Deputy Under-Secretary of State for External Affairs

TOP SECRET

Ottawa, January 16, 1957

UK HYDROGEN BOMB TESTS — STAGING FACILITIES THROUGH CANADIAN TERRITORY

With reference to your letter of 11 January and confirming our telephone conversation, I would first of all suggest, in dealing with these matters of overflights and the carriage of nuclear components, that special security arrangements be observed and that all correspondence be addressed personally to the addressees. I feel it is extremely important to maintain security on the fact that nuclear weapons are being transported across Canada[69] as we have had occasions when this matter has been raised as a question in the House of Commons and we have recommended that, on the grounds of security, no answer should be forthcoming.

I have gone into the questions raised in your letter, and I agree with your suggestion that we should deal with this subject in a similar manner to that used in connection with the SAC flights. In this regard I have drawn up a suggested order-in-council and schedules which are identical to those used in respect of the United States authorization except that they deal only with one type of routine flight. I suggest that it would perhaps be advantageous to secure authority in a general way for this type of flight and not just a specific authority for this present series as I understand it is the intention of the United Kingdom to carry out further series of nuclear tests in Australia over the next two or three years. I am sending copies of these papers to the Judge Advocate General to get his advice as to whether this is the most expeditious way of clearing this matter.

With regard to the question raised in para. 3(d), as the United States are going to be approached by the United Kingdom for similar arrangements in San Francisco and Honolulu, it would seem to me to be appropriate to advise them that we are contemplating making arrangements for the United Kingdom authorities to use Goose Bay for this specific purpose.

You have raised the question of including the Departments of Transport and Revenue in this matter. I would suggest that it is for consideration whether it is necessary to bring them fully into the picture on this arrangement. I feel very strongly that as few people as possible should have knowledge of this arrangement and in this way we can maintain security. I would hope that we would be able to use only RCAF airfields for landing and refuelling except in a case of emergency, where I would hope that the RCAF could notify the Department of Transport officials concerned and that the RCAF could arrange to take whatever action would be necessary regarding the security and safety of these aircraft while on the ground without involving the Department of Transport. In a similar way, I would hope that, through the Privy Council Office, we could notify the Department of Revenue each time of the proposed flight and not be required to bring them completely into the picture as to the nature of these flights but only arrange to eliminate the formal necessity of customs clearance. However these are points which I feel could be discussed between Mr. Bryce, the Chief of the Air Staff and yourself.

In regard to publicity, I have already mentioned that we have refused to give information to the House of Commons on this matter and I would hope we can continue to keep this matter secret.[70]

I would suggest that, as soon as I have heard from the Judge Advocate General regarding these proposed procedures which I have outlined in the attached papers,† it might be useful if you could arrange a meeting between Mr. Bryce, the Chief of the Air Staff and myself to go into these other matters and finalize the papers to be presented to the Ministers concerned.

CHARLES FOULKES

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[69] Note marginale :/Marginal Note:
? [J.J. McCardle]

[70] Note marginale :/Marginal Note:
a hope not likely to be realized [J.J. McCardle]

728. DEA/50369-40

Note du chef de la 1ère Direction de liaison avec la Défense pour le sous-secrétaire d'État suppléant aux Affaires extérieures

Memorandum from Head, Defence Liaison (1) Division, to Deputy Under-Secretary of State for External Affairs

TOP SECRET [Ottawa], January 18, 1957

U.K. HYDROGEN BOMB TESTS — STAGING FACILITIES THROUGH CANADIAN TERRITORY

You have already seen the attached letter of January 16 from the Chairman, Chiefs of Staff on this subject which is a reply to our letter of January 11. We would entirely agree with General Foulkes that a meeting should be arranged between yourself, Mr. Bryce and the Chief of the Air Staff to discuss this matter further. We are not convinced, however, that General Foulkes' letter meets all the points which we raised in our letter of January 11, nor that we would entirely agree with his attitude towards the security of this subject.

2. It seems to us that it is for consideration whether it is vitally important to maintain tight security on the fact that United Kingdom aircraft will be transporting nuclear components across Canada. There is something to be said for gradually acclimatizing the Canadian public to the fact that nuclear weapons can be transported overhead with minimum safety hazard. Of more practical significance perhaps is our doubt that General Foulkes' hope to keep this particular exercise secret is well founded. Presumably the bomb tests themselves will be given a considerable amount of publicity. It seems to us not unlikely that members of the press or Members of Parliament would learn or guess the route of United Kingdom transport to and from the tests. If absolute security is maintained, we may be faced at a later stage with admitting the overflight of Canada by these aircraft and having to make this admission at a time and in circumstances which are not of our own choosing. We find it difficult to believe that there is an element of any real military security in the public knowing that these aircraft have flown over Canada.

3. To a degree this same line of reasoning applies to General Foulkes' unwillingness to consult the Departments of Transport and National Revenue. It may indeed be possible to work out arrangements which would involve very few officials in these Departments, but it seems to us that at least senior officials of both Departments should be made aware in general terms and early in the day of the United Kingdom overflights. Difficulties often occur in attempting to make *ad hoc* arrangements in an emergency which could be avoided if preliminary arrangements of a general nature had been made.

4. General Foulkes did not offer any comment on one of the points in our letter which we would regard as of primary importance and that concerns what arrangements we should make with the United Kingdom in order that Canadian authorities themselves should be satisfied of the safety precautions which would be taken to prevent mishap over Canadian territory. Perhaps something similar to what was done in the MB1 rocket case would be in order. Nor does his letter indicate whether or not Canadian service personnel will be provided as guard detachments (a suggestion in the United Kingdom note) when the United Kingdom aircraft are on the ground for refuelling.[71]

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[71] Note marginale :/Marginal Note:
RCAF will if necessary [R.M. Macdonnell]

5. It seems to us that in the further meeting which is proposed we should raise the landing question and its implications for our later dealings in similar matters with the United States. This is not to suggest that we should oppose the landing in Canada of aircraft carrying nuclear components, but simply that the Government should be clear in its own mind what it is permitting and of the precedents it may be setting at this time by granting the permission to land which the United Kingdom seeks.

6. If you concur in our idea, that there is perhaps not the need which General Foulkes suggests for such tight security on this question, it might be well to put our views to him in a letter as a separate exercise from such departmental views as might be expressed in the meeting which he proposes.

7. File No. 50369-40 is attached for ease of reference.[72]

J.J. MCCARDLE

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729. DEA/50369-40

Le président du Comité des chefs d'état-major
au sous-secrétaire d'État suppléant aux Affaires extérieures

Chairman, Chiefs of Staff Committee,
to Deputy Under-Secretary of State for External Affairs

TOP SECRET Ottawa, February 19, 1957

UK HYDROGEN BOMB TESTS

1. With further reference to my letter of 16 January and our telephone conversation today regarding arrangements being made for the flights of UK aircraft carrying nuclear material across Canada in connection with the hydrogen bomb tests to be held on Christmas Island this summer.

2. In conversation with Mr. Bryce it has been agreed that there has been sufficient progress made in these negotiations to now issue an interim report to the UK in reply to their request for further specific information.

3. It is suggested that the UK authorities be informed that an Order-in-Council with "Secret" appendices has been agreed to and will be approved by the Governor-in-Council by Thursday, 21 February. This Order-in-Council authorizes the Minister of National Defence to direct the flights of the UK aircraft through Canadian air space in accordance with the schedule appended to the Order. This schedule provides for general approval of the programme by the Prime Minister, the Secretary of State for External Affairs and the Minister of National Defence. It provides further that after approval has been given by the

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[72] Note marginale :/Marginal Note:

Meeting with Bryce, Foulkes & Slemon 25/1/57

1. National Defence will prepare O-in-C — not secret and no schedule
2. Mr. Campney will inform Mr. Marler in a general way.
3. National Revenue agree that they need only a statement that material is in transit
4. Ministers will be asked to approve the year's programme in general terms — thereafter notification RAF-RCAF.
5. External will draft reply to UK, including requests for any information that RCAF will require and indicating procedure.
6. Bryce will take up Atomic Energy regulations
7. No public information will be given, but if questions are asked they will be answered. R.M. M[acdonnell]

above mentioned Ministers, the individual flights will then be arranged by the Chief of the Air Staff. The Chief of the Air Staff will arrange the following:

(a) With the Deputy Minister of Revenue for customs clearance of each flight.

(b) Advise the Department of Transport if landings are to take place at any airfield other than military airfields.

(c) Be responsible for ensuring safe custody if aircraft land at Department of Transport airfields.

4. The Atomic Energy Control Act of Canada requires that export and import permits be given by the Board before nuclear material can be imported into or exported from Canada. The Chairman of the Atomic Energy Control Board is arranging to issue a blanket permit to cover the UK programme of flights for these tests this summer. This blanket permit would be forwarded to the Deputy Minister of Revenue who will make the necessary arrangements for the custom clearance of each individual flight. As it is not considered feasible to expect all the aircraft to land at the designated port at Goose Bay but some may be diverted to other airfields in Eastern Canada, the Deputy Minister of Excise proposes to issue individual permits for each aircraft to avoid customs inspection and to facilitate the clearance of the aircraft.

5. It will therefore be necessary to finalize as early as possible the general programme of flights and, as soon as is convenient, the specific schedule of flights including approximate dates, description of aircraft, etc. in order that the specific permits may be forwarded to the UK before the flights commence.

6. I would therefore suggest that in order to finalize this arrangement it would be helpful if the UK could provide:

(a) A general outline of the programme including the overall period and approximate number of flights, so that this could be approved by Ministers on behalf of the government.

(b) The detailed schedule of flights, including dates, identifications, etc. of the aircraft in order that the process of issuing individual permits could be expedited.

CHARLES FOULKES

[PIÈCE JOINTE 1/ENCLOSURE 1]

Le ministre de la Défense nationale au gouverneur-général

Minister of National Defence to Governor General

The undersigned has the honour to report that:

(a) It is considered that service aircraft belonging to the United Kingdom should be permitted to fly over, land in and take off from Canada and the territorial waters thereof, subject to appropriate restrictions and conditions.

(b) Reciprocal arrangements have been made for the flight of Canadian service aircraft in and over the United Kingdom.

(c) The Aeronautics Act, Revised Statutes of Canada, 1932, Chapter 2, provides that, in matters relating to defence, the Minister of National Defence may, subject to the approval of Your Excellency in Council, make regulations to control and regulate air operations over Canada and the territorial waters thereof.

2. The undersigned therefore has the honour to submit the regulations attached hereto as Appendix "A", and entitled "Regulations Governing Flights of United Kingdom Aircraft

over Canadian Territory, 1957", to Your Excellency in Council for approval pursuant to section 4 of the Aeronautics Act.

Respectfully submitted,
[R.O. CAMPNEY]

[PIÈCE JOINTE 2/ENCLOSURE 2]

Appendice A

Appendix A

The Minister of National Defence, under and by virtue of the powers vested in him by section 4 of the Aeronautics Act, Revised Statutes of Canada 1952, Chapter 2, does hereby, subject to the approval of the Governor in Council, make the following regulations to control and regulate air navigation over Canada and the territorial waters of Canada by aircraft belonging to the United Kingdom armed services and operated by the United Kingdom Ministry of Defence.

REGULATIONS

1. These regulations may be cited as the Regulations Governing Flights of United Kingston Service Aircraft over Canadian Territory, 1957.

2. Aircraft belonging to the United Kingdom and operated by the United Kingdom armed services or the United Kingdom Ministry of Defence may, on a reciprocal basis and subject to these regulations and in compliance with orders and directions issued by the Minister of National Defence, fly in or over, land in and take off from Canada and the territorial waters thereof.

3. Subject to such exceptions and conditions as may be prescribed by the Minister of National Defence, the flight of aircraft mentioned in section two over areas that have been or may be prescribed as prohibited or restricted areas by or with the approval of the Governor in Council and such other areas as are designated by the Minister is prohibited.

4. Unless the Minister of National Defence otherwise directs, aircraft mentioned in section two in or over Canada and the territorial waters thereof are subject to the same rules and regulations for the safe and proper operation of aircraft in Canada as apply to Canadian service aircraft and are under the control of the same agencies as are Canadian service aircraft.

DATED at Ottawa this day of February, 1957.

MINISTER OF NATIONAL DEFENCE

[PIÈCE JOINTE 3/ENCLOSURE 3]

Schedule

TOP SECRET

METHODS OF CLEARING FLIGHTS OF UNITED KINGDOM AIRCRAFT OVER CANADIAN TERRITORY WHERE THE MOVEMENT OF ATOMIC COMPONENTS IS INVOLVED

code letter	type of flights	channel of communication and clearing authority
Y	Routine flights carrying nuclear components for stockpiling, testing or training and using bases in Canada or overflying Canadian territory. This category covers the case where no strike is contemplated in the immediate future.	Government — Government for general clearance of the programme. Individual movements to be notified by flight plan 48 hours in advance to Air Force Headquarters, the message to be marked with distinctive code word or number. RCAF to arrange with Deputy Minister of Revenue for customs clearance of each flight. RCAF to advise Department of Transport if landings are to take place at any airfield other than military airfields. RCAF to be responsible for ensuring safe custody if aircraft land at Department of Transport airfields.

[PIÈCE JOINTE 4/ENCLOSURE 4]

TOP SECRET

SUGGESTED PROCEDURE FOR CLEARANCE OF UNITED KINGDOM FLIGHTS OVER CANADIAN TERRITORY

code letter	type of flights
Y	Routine flights carrying nuclear components for stockpiling, testing or training and using bases in Canada or overflying Canadian territory. This category covers the case where no strike is contemplated in the immediate future.

approving authority	executive authority	passed for information
1. *General Programme* Prime Minister Secretary of State for External Affairs Minister of National Defence	Minister of National Defence	Under-Secretary of State for External Affairs Chairman, Chiefs of Staff Secretary to the Cabinet
2. *Individual Flights* Chief of the Air Staff	Chief of the Air Staff	Under-Secretary of State for External Affairs Secretary to the Cabinet

730. DEA/50369-40

Le sous-secrétaire d'État suppléant aux Affaires extérieures
au président du Comité des chefs d'état-major

Deputy Under-Secretary of State for External Affairs
to Chairman, Chiefs of Staff Committee

TOP SECRET Ottawa, February 21, 1957

Dear General Foulkes,

I refer to your letters of February 19 and 21† on the subject of flights in connection with United Kingdom hydrogen bomb tests.

I have had an informal talk with Mr. N. Pritchard, Deputy High Commissioner for the United Kingdom, in which I explained the present position as follows.

(a) We wish to have their revised programme of flights in order to submit it for the approval of the Prime Minister and certain other Ministers.

(b) The procedure as regards customs clearance, described in your letter of February 21, was outlined.

(c) Mr. Pritchard was told that a written reply to their original request would be prepared after the general programme had been approved.

(d) We agreed with the United Kingdom that there should be no publicity concerning these overflights.

Yours sincerely,
R.M. MACDONNELL

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731. DEA/50369-40

Le haut-commissariat du Royaume-Uni
au chef de la 1ère direction de liaison avec la défense

High Commission of United Kingdom
to Head, Defence Liaison (1) Division

TOP SECRET Ottawa, February 28, 1957

Dear Mr. McCordick,

OPERATION GRAPPLE

The Department asked us recently to supply an up-to-date statement covering the following aspects of the above operation.

(a) The total number of flights transiting Canada westbound and eastbound in connection with operation Grapple, including an indication of the phasing of the flights; and

(b) A list of the individual flights carrying radio active material, together with firm dates of these flights as far as possible.

I regret that at present we do not have information which will enable us to answer the query at (a) above. We are expecting to get this information in the near future and will of course inform you immediately that we get it.

As regards the query at (b) above, the following is the provisional timetable for the carriage of radio active material by the aircraft involved in the operation:

(a) 1 Hastings aircraft will depart Lyneham about the 27th of March;

(b) 1 Hastings aircraft will leave the United Kingdom about the 25th April;

(c) 1 Valiant aircraft will leave Wittering about the 6th of May;

(d) 2 Hastings aircraft will leave Lyneham about the 8th of May;

(e) 3 Hastings aircraft will leave the United Kingdom on the 25th of May;

(f) It is probable that 1 Hastings aircraft will leave the United Kingdom at the end of May;

(g) It is also probable that 1 Valiant aircraft will leave Wittering on the 21st of June.

The numbers of the above aircraft are firm (i.e. there will be a total of 10 movements of aircraft carrying radio active material). The dates of their movement are as firm as operationally possible at the present stage.

Yours sincerely,
R. ROSS

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732. DEA/50369-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire du Cabinet

Memorandum from Under-Secretary of State for External Affairs to Secretary to Cabinet

TOP SECRET Ottawa, March 1, 1957

OVERFLIGHT OF CANADIAN TERRITORY BY SPECIAL U.K. AIRCRAFT

As you know we have been awaiting receipt from Earnscliffe of a letter containing a general outline of the proposed programme of overflights of Canadian territory by special U.K. aircraft including the overall period and approximate number of flights so that approval in principle of the programme could be obtained from Mr. Campney, Mr. Pearson and the Prime Minister.

2. We have now received the attached letter in which paragraphs 3 and 4 contain the required information concerning those aircraft which will be carrying radioactive material. There will be a total of ten movements both east and west of such aircraft between approximately March 27 and June 21.

3. The letter does not contain information concerning the total number of flights in the programme, i.e. including those not carrying radioactive material. However we have been informed orally by Earnscliffe this morning that the total number of flights, both east and west will be approximately 90-95, commencing tomorrow, March 2, and running through to the middle or possibly the end of July.

4. I understand from Colonel Raymont that Mr. Campney has already indicated his approval of the general programme. I think we can also assume that we have Mr. Pearson's approval in view of the favourable comments which he made to the United Kingdom High Commissioner on receiving the latter's memorandum of January 8, 1957.

5. As the first flight in the programme is scheduled for tomorrow there is some urgency attached to obtaining the approval of the Prime Minister for the programme as a whole.

I shall be grateful therefore if you could, if possible, obtain this approval today and let me know. I shall then inform Earnscliffe and the Department of National Defence.

6. This Department will prepare shortly a formal reply to the U.K. High Commissioner's memorandum of January 8.[73]

J. L[ÉGER]

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733. DEA/50369-40

Le sous-secrétaire d'État aux Affaires extérieures
au haut-commissaire du Royaume-Uni

Under-Secretary of State for External Affairs
to High Commissioner of United Kingdom

TOP SECRET Ottawa, March 19, 1957

Dear Sir Saville [Garner]:

Ministers have considered the request contained in your Memorandum of January 8 for the authorization of flights across Canada by United Kingdom aircraft carrying radio-active material in connection with the United Kingdom weapons tests in the Central Pacific, and for the use of certain staging facilities in Canada for these and other United Kingdom aircraft engaged in the same task. They have taken into consideration as well the further information concerning the overflight programme, which your authorities have supplied through both civilian and service channels. As a result they have authorized the overflight programme under conditions which are, we understand, acceptable to your authorities.

We agreed, I believe, that as little publicity as possible should be given to these overflights of Canada. It may not, of course, be possible to avoid some public comment, and I thought that you would be interested in knowing of our plans for handling any enquiries which may be made on the subject.

The Department of National Defence will have the primary responsibility for handling press enquiries. That Department does not propose to give any substantial reply to any press enquiries, unless the subject has first been dealt with in the House of Commons. If questions are asked in the House on the subject the Minister of National Defence will reply in the following sense: "United Kingdom aircraft enroute to Christmas Island have been granted permission to use airfields in Canada as staging bases". In the event that further questions are asked as to whether the aircraft are carrying radio-active material, the Minister's answer will be on the following lines: "The Canadian Government is aware that some of the United Kingdom aircraft involved in the operation may be carrying nuclear components in a state of safety, but if so the components will be in such form as not to constitute any risk".

We shall keep you informed in the event that it does become necessary to make some public statement on this subject. If there is any United Kingdom requirement for a public statement concerning the overflight of Canada, we assume that nothing will be said before there has been consultation with the Canadian authorities.

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[73] Note marginale :/Marginal Note:
March 1 — 4 P.M. — Mr. Bryce informed Mr. Léger that the P.M. approved. I informed Mr. Ross (Earnscliffe) & Col. Raymont (DND) by telephone. K.C. B[rown]

Yours sincerely,
R.M. MACDONNELL
for Under-Secretary of State
for External Affairs

SUBDIVISION V/SUB-SECTION V

RÉUNION AVEC LE PREMIER MINISTRE HAROLD MACMILLAN AUX BERMUDES, 25-26 MARS 1957

MEETING WITH PRIME MINISTER HAROLD MACMILLAN IN BERMUDA, MARCH 25-26, 1957

734. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], February 11, 1957

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Revenue (Dr. McCann),
The Minister of Public Works (Mr. Winters),
The Minister of Finance (Mr. Harris),
The Leader of Mines and Technical Surveys (Mr. Prudham),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin).

. . .

MEETING OF PRIME MINISTER WITH PRIME MINISTER OF UNITED KINGDOM

9. *The Prime Minister* said that the Prime Minister of the United Kingdom would be meeting with the President of the United States in Bermuda from March 21st to March 24th. On hearing of this, Mr. Macmillan had been invited to come to Ottawa either before or after his conference with Mr. Eisenhower. Mr. Macmillan was unable to do this and Mr. St-Laurent had therefore suggested that he might go to Bermuda instead and hold discussions on March 25th and 26th. This had been agreed and announced in London that morning.

By that time the proposals for the United Kingdom joining a Free Trade Area with a number of European nations would be further advanced and Canada's attitude regarding it more clearly defined. Talks on this matter, in addition to other problems, might therefore usefully be held at the time. He proposed to make a brief announcement in Parliament about the conference.[74]

]10. *The Cabinet* noted with approval the proposed meeting between the Prime Minister and the Prime Minister of the United Kingdom in Bermuda on March 25th and 26th.

R.B. BRYCE
Secretary to the Cabinet

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735. C.D.H./Vol. 191

Le secrétaire du Cabinet
au ministre du Commerce

Secretary to Cabinet
to Minister of Trade and Commerce

TOP SECRET Ottawa, April 9, 1957

Dear Mr. Howe:

I am sending you enclosed the notes of the discussion at Bermuda, which I thought you would wish to have for your record.

As I am not proposing to give these notes general circulation, I would assume that you will not be circulating these within your department to other than your Deputy Ministers, and of course to Mr. Isbister.

Yours sincerely,
R.B. BRYCE

[PIÈCE JOINTE 1/ENCLOSURE 1]

Notes du secrétaire du Cabinet
sur les discussions aux Bermudes
Lundi après-midi, le 25 mars 1957

Notes by Secretary to Cabinet
on Bermuda Discussions
Monday Afternoon, March 25th, 1957

Mr. Macmillan opened the meeting with a few words of welcome and Mr. St-Laurent replied.

GENERAL REPORT ON ANGLO-U.S. TALKS

Mr. Macmillan said that he thought that, although the details would come out in later discussions on various topics on the agenda, Mr. St-Laurent might be interested in his general over-all impression of the meeting with President Eisenhower. In his view, the few days they had been together were more successful than he had ventured to hope. The reason for this was two-fold. These discussions had been friendly and informal. He felt that he got along with Mr. Eisenhower in a way reminiscent of his past friendship with him. He had been very frank from the very beginning with Mr. Eisenhower and was delighted to find that the Americans were just as anxious, if not more so, to re-establish the former intimate relationship between the U.S. and the U.K. He felt that they have achieved this.

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[74] Voir Canada, Chambre des Communes, *Débats*, 1957, volume I, p. 1195.
See Canada, House of Commons, *Debates*, 1957, Volume I, p. 1145.

For this result he considers that Mr. Eisenhower was the principal factor on the U.S. side. He was sure that there was a profitable and successful meeting of minds at the top which augers well in the longer term. The real test will be just how effective it is at the working level and in the shorter term. A further test will be how much conviction it carries with the public of both countries. He had been very struck by the way Dulles spoke at the off-the-record press conference and said he would be giving us a copy of the transcript.

Mr. Lloyd then said a few words about the immediate Middle East problems and said they found the Americans agreed that the U.K. and U.S. should be seen to be acting together. The Americans expressed themselves as anxious to work out a common policy. Proof of the pudding, however, must be in the eating.

Mr. St-Laurent observed that it has been his experience that Mr. Eisenhower was quite willing to look into and correct a situation where what is being done is inconsistent with what he said would be done.

À propos of cutting across the more normal channels and approaching Eisenhower direct, *Mr. Lloyd* mentioned that they had told him that they were very worried about the lack of U.S. co-operation with the U.K. delegation in the United Nations, which had developed even before the Suez crisis.

Mr. St-Laurent remarked that he was convinced that Eisenhower would like nothing better than to have things go smoothly between the Atlantic partners.

ATOMIC QUESTIONS

Nuclear Tests

The U.K. side then suggested that they might say a few words about what could possibly be described as the surprising development of the meeting. This development is covered in Annex II of the U.K. and U.S. communiqué,[75] and deals with the matter of nuclear tests.

Mr. Lloyd said that there was no doubt that there is a considerable feeling among the public that no country has the right to add to the hazard of radiation. In reality, if tests continue on the same scale as hitherto, they would only add 1/70 to the normal hazard of radiation and thus would not be insupportable.

In spite of public feeling, which was pronounced, the U.K. was not prepared to abandon the use of tests until they have conducted their own series now planned. However, they would like to go some way in meeting the views of the public and were prepared to exercise restraint. The U.S. view was that they did not think that any limitation on tests would be enforceable without very comprehensive international control. This is a new development, although for some time small nuclear explosions might have passed without detection. In the communiqué, the U.S. and U.K. had agreed on three steps — the use of restraint, advance notice of tests and limited observation, if the Soviet Union agrees to do the same. The U.S. regarded this as a concession to the U.K. point of view, bearing in mind the great disparity in the magnitude and frequency of requirements for tests between the U.S. and U.K.

Mr. St-Laurent enquired whether this matter had been discussed in the current meetings of the Disarmament Sub-committee. It was said in reply that these meetings were just getting underway, and it had not come up.

Mr. Pearson remarked that we were in favour of limitation of tests within a comprehensive disarmament agreement, and, if such an agreement were not possible, some form of limitation. The Norwegians, the Japanese and Canadians had put up a resolution in the United Nations on prior registration of tests with that body. He hoped that the U.K.-U.S. announcement would not go counter to our resolution.

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[75] Voir/See United States, Department of State, *Bulletin*, Volume XXXVI, No. 928, April 8, 1957, pp. 561-562.

During the discussion *Mr. Strath* indicated it is now becoming less possible to detect not so much the fact that a nuclear explosion has taken place but the yield of the weapon and the amount of radioactive material that had been added to the atmosphere. In the case of smaller weapons, the fission process was used and the fission products released indicated fairly directly the yield and radioactive effects. The large thermonuclear weapons, when detonated, produce their energy both from fission and fusion reactions and since the fusion process does not produce the radio-active products which fission does, one cannot relate the yield so readily to the amount of fission products released. They were now getting bombs that depended more on the fusion process and less on fission. The amount of fall-out can vary enormously in different types of explosions. The less radioactive products there are released, the more difficult it is to detect the effects of the explosion, but also of course the less harmful are the radiation effects. Sampling of the upper atmosphere would be the only possible way of telling the effect of the tests that had been taking place.

Mr. Macmillan said that he looked upon the result of their meeting as contained in Annex II as a self-denying ordinance which could be followed in due course with an East-West arrangement on the same lines. They had had a little difficulty with the Americans over registration of tests because the latter did not believe they added anything to the usual public advance notice.

At this point *Mr. Pearson* remarked that if we did not make any progress in the Subcommittee, it is going to become increasingly difficult to control atomic radiation if other countries, on their own, developed nuclear weapons.

Mr. St-Laurent observed that there were really two points here — the actual effect that the tests might have, and their psychological effect on the public. It was his view that in regard to the psychological effect, anything that could be done through the United Nations would at least give the impression that some sort of start was being made along the road to progress toward elimination of the hazards of nuclear tests.

There was a short discussion on whether the last sentence of paragraph 5 of Annex II implied that a similar action by the Soviet Union was required before the British and Americans would register future tests as well as to permit limited international observation of them.

Mr. Macmillan said the wording was not entirely clear on this point and that he would find out whether registration was really conditional on the Soviet Union taking a similar step, or whether the reference to Soviet compliance was intended to be restricted to international observation.

Mr. Lloyd remarked that the mutual agreement set forth in Annex II did give the West something more to talk to the Soviet Union about in the field of atomic weapons than had been the case in the past.

Mr. Macmillan explained how welcome the development of Anglo-American agreement as shown in Annex II was to him, as he had been getting many questions at home which it would help to answer. He regarded it as a bit of a move in the right direction on the part of the U.S.

Mr. St-Laurent then observed that it was his feeling that our public would regard it as progress if members of the United Nations agreed on no more tests without registration.

In a brief discussion over the possible reasons why the U.S. had not, up to now, been particularly in favour of some sort of agreement such as presented by Annex II, *Mr. Pearson* suggested that the Presidential election campaign might have had something to do with it inasmuch as Mr. Stevenson had stumped very hard on the subject of limitation of nuclear tests and this would naturally inhibit the Republican Administration from following such a policy, for some time at any rate.

The "Fourth Atomic Power" Problem

Mr. Lloyd stated that a major difficulty at the present time is the intention of France to go ahead with a programme for the production of nuclear weapons. Mollet himself was believed not to favour the programme, but the French Minister of Defence had told the U.K. Minister of Defence they had decided to undertake it. France was not readily able to produce the weapon and associated delivery systems on her own. It was said to mean an expenditure of about £200,000,000 per annum, although this figure seemed high. He had received the impression that the Germans would be willing to collaborate with the French in a programme of this nature as they were not permitted, under the Paris Treaties, to produce their own atomic weapons in Germany. How does one stop this development of the possession of nuclear weapons by "Fourth Powers"? The Americans estimated that, with German help, it would take the French about a year to develop simple atomic weapons of kiloton yields, and they could achieve thermonuclear weapons in about five years. Other countries could follow — Sweden most probably, then others — and the thing could spread. The picture is a distressing one, and presents the U.K. and U.S. with a difficult choice. It had been decided, in discussions with the U.S., that neither country would in fact provide assistance to France for this programme. In spite of this, *Mr. Pearson* remarked, the U.S. seemed willing to provide all the fuel needed for EURATOM, although by so doing, they would indirectly assist a country like France undertaking a military programme based on her own uranium sources.

Mr. Lloyd remarked that the U.S. would be reluctant, for political reasons, to refuse to supply fuel for peaceful programmes even if that were the only practical step to putting a halt to a military programme.

Mr. Howe noted that Canada was now faced with the same problem in regard to France, who had sought to obtain 50 tons of uranium a year from Canada, about 10% of their supply, but they were unwilling to accept control over its use to ensure it did not go into a weapons programme. The problem will arise with any country having a weapons programme.

Mr. St-Laurent wondered about India, and observed that although not very many nations would attempt to carry out a military nuclear programme, it was his view that they would balk at any general prohibition in this regard.

Mr. Pearson wondered whether there was any possibility of the U.S. committing herself to supplying her allies with atomic weapons in return for commitments to undertake no local production of such weapons.

Even with such an inducement, *Mr. St-Laurent* thought that it would still be difficult for some nations to undertake to refrain permanently from producing such weapons.

Mr. Macmillan explained briefly the arrangement under which atomic weapons would be supplied by the U.S. to the U.K. He typified it as the case of the key in the cupboard. In effect, the atomic warheads were under the direct control of U.S. personnel in the U.K., although the delivery system was under U.K. control and the U.K. would be perfectly free, if they wished, to develop their own warheads for those weapons. He could see no real reason why other NATO countries should not receive weapons under the same conditions.

Mr. Pearson suggested that if they did, perhaps they would agree not to produce the warheads themselves. If we could not hope to succeed in keeping other countries out of the production of atomic weapons, was there much purpose in persisting with the effort to apply safeguards such as those in the International Agency agreement, at least to friendly governments who are going to have a weapons programme themselves?

(This matter was discussed further in a private meeting between Powell, Strath and Dean for the U.K. and Bryce, Léger and Crean.)[76]

Uranium Supplies

Mr. Howe at this point brought up the matter of the supply of uranium to the U.K. and was happy to assure Mr. Macmillan that Canada could take care of all the U.K. future requirements. There had not been any announcement of this but he suggested that it might be a suitable topic to include in the communiqué.

Mr. Macmillan expressed pleasure at this statement and felt that it would be extremely useful to have, and indeed that it should form an annex to the communiqué that would be issued.

Mr. Strath expressed the appreciation of the Atomic Energy Authority for the cooperation it had received in Ottawa.

Mr. St-Laurent remarked that it was the Canadian view that the U.K. plan for the civilian employment of atomic energy represented a service to the world, in that it would be a demonstration that it is a practical industrial possibility to use uranium to generate power for civilian productive purposes.

Mr. Pearson posed the question of what the position of supplying countries was going to be under the International Atomic Energy Agency Agreement.

Mr. Strath remarked that the idea to have a control over the supply of uranium had been accepted but that much remained to be done in working it out.

Mr. St-Laurent enquired whether the U.S. had indicated definitely that atomic warheads would be supplied to NATO nations with the proviso of U.S. control of them?

The answer was that at last December's NATO Council meeting, Mr. Dulles announced that the U.S. would go so far as to provide dual purpose weapons, but had made no reference to the atomic warheads.

Mr. Bryce observed that from recent NATO papers, it would seem that the U.S. had in mind a second stage under which they would provide the warheads to NATO nations for these tactical weapons, once their law permitted it.

At this juncture there was a brief discussion of how the U.S. maintained custody of atomic warheads abroad.

DEFENCE POLICY

Mr. Macmillan thought that, on a very secret basis, he should give a broad picture of U.K. defence policy as it stood today.

When his administration had come into office, he felt that they really had to get a firm hold on defence policy. Of course, it had to be looked at from the point of view of the peculiar U.K. situation of being an island off the continent of Europe with responsibilities dispersed widely abroad. At the time of Korea, the policy really consisted of building up willy-nilly a defence organization to face the imminent possibility of war. Happily the menace of war receded, and in common with other countries, the U.K. had now swung over to the concept of the "long haul". In his view we were now entering a new phase. The U.K. had become a nuclear power, although in comparison with the U.S., a small one. The danger of a massive military attack across Europe had receded and Soviet intentions were more likely to be in the nature of an end run in one form or another, say in the Middle East.

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[76] Voir/See Document 736.

It was a fact that 800,000 men cannot be effectively armed with modern weapons within the scope of present U.K. resources. Those resources, including manpower, were being seriously pressed by trade competition from Western Germany for example. At present the cost of defence represented 10% of their gross national product. It engaged 1/8 of the output of the metal using industries (which themselves produced 1/2 of the U.K. exports), and had tied up 1/2 of the scientific and technological manpower of the nation. If the programme had been carried through as planned at the time of Korea, it would now be costing £2000 million per annum; it would be £1600 this coming year if it were not cut. There was the added factor that with about 50% of the forces overseas, problems arose in the balance of payments. Although economic reasons loomed large, the need to improve the effectiveness of the forces in face of modern warfare played a major role in their present proposals.

The U.K. had decided to make a new approach to the problem, having regular forces composed of career men and equipped with the best and most modern weapons and organized in the most effective way. (This would mean highly mobile forces with adequate air transport instead of relying principally on overseas bases.)

It was their view that the sort of defence they had in mind could be achieved with somewhere around 350,000 to 400,000 men and this would, over a period of years, enable them to do away with national service. On the other hand, if they could not get enough volunteers for these forces, they would have to carry on with national service, but that would mean that the Armed Services would have to be around 500,000 men. They would employ more civilians in administration, pay, ordnance, etc.

This new approach would not in any way constitute a retrenchment from their world responsibilities. They would contribute to the general defence of the west with the possession of nuclear weapons. They would continue to develop and extend their bomber force as their delivery system. They were going to continue research of ballistic missiles, but they had arranged with the U.S. to obtain intermediate range ballistic missiles, rather than try to produce them. By this arrangement they would obtain the missiles five years earlier than by developing and producing such weapons themselves.

It was a plain fact that it would not be possible to defend the U.K. in the next war. The British people realize this and accept it with their usual phlegm. Eight or ten thermonuclear bombs would put them out. They would therefore not plan to try to have enough fighters to defend the island but just the bases of the deterrent striking force. Manned aircraft can no longer really provide a defence against bombers, and against ballistic missiles they have no chance at all.

At the same time they were furthering the development of a guided weapon air defence system.

They planned to have a central reserve of army forces in the U.K. This was to be a really well-organized reserve, supplied with enough air transport to be really mobile. This would reduce the need for stationing forces in overseas territories. The stationing of troops abroad was unpopular, not only in the territories in which they were located, but with the troops themselves. They would still maintain small forces in certain dependencies as an aid to the civil power. They had, however, learned that nationalism and static formations overseas are not compatible. For example, they would eventually be getting out of Libya and would be reducing their contributions to the budget of that country (though they hoped the U.S. would take it over). To protect their vital interests in the Arabian Peninsula and the Persian Gulf, they would maintain land and air forces based on Aden, with a strategic reserve in a base in East Africa, frigates in the Gulf, and a Naval carrier task group. They would continue to support the Baghdad Pact and SEATO. In the case of the former, their contribution would be a light bomber force armed with atomic weapons based on Cyprus. They would have no land forces in the area. In Southeast Asia, they planned to maintain their air strength, but reduce their land forces in Malaya. The Hong Kong garrison would be reduced to that required to keep law and order.

In the case of NATO, their new approach to defence had the danger of being represented as a weakening of U.K. power, but Mr. Macmillan felt that it would, in the long run, be appreciated as simply a good form of rationalization of forces. It would be a more hard-cutting force, and not so overblown. At present they had too much staff and tail.

In Germany, the British Army of the Rhine would be reduced from 77,000 to 50,000, re-organized into one armoured and five infantry brigade groups, which in their view were far more suitable for modern warfare than the present organization.

Actually the "teeth to tail" ratio under the current system was 55 fighting men to 45 in support thereof. Under the reorganization, this would be changed to 65 — 35. As a result, the effect of the cuts on the real fighting strength will be small.

The Navy had the advantage that they were always able to recruit, and it was his intention to capitalize on this. He felt that the Navy should be modernized and be given real tasks to carry out. The number of ships declared to SACLANT would be reduced, but in point of fact this was only a paper reduction as the vessels were obsolete under the conception of major war today. Their Naval forces would henceforth be organized around the carrier. He felt the Phase II concept of the Forces at present was an illusion and very expensive.

Mr. Macmillan observed that quite a number of people are going to be upset over their plan for reorganization. In particular it would affect those who think more of numbers than of efficiency. In France, for example, Mr. Mollet thinks this way. His view is that the more British subjects, including dependents, there are in a position of danger, the more assurance there would be of U.K. assistance. Adenauer is likely to take it very badly as he is fighting an election over conscription.

At this point *Mr. Howe* interjected some remarks on the subject of the fantastic duplication of effort and expenditure of money going on in the development of new weapons in Canada, the U.S. and the U.K. Would it not be possible to have a study group recommend how development work should be allocated? *Mr. Macmillan* indicated some sympathy for this concern.

Mr. Lloyd continued with a review of the recent negotiations in London.[77] It was wrong for anybody to have the impression that the U.K. had suddenly confronted WEU and NATO with a fait accompli. They had really suggested as long as 18 months ago that something would have to be done along this line and asked that a reappraisal should be undertaken. He then reviewed the original U.K. proposal to reduce their forces on the continent by 27,000 in about a 12-month period and the reduction of the second tactical air force by about 50%. He mentioned SACEUR's comments on phasing of reduction, the possibility of rotation of air squadrons and the retention of the strategic reserve in Germany. He pointed out that as far as the first comment that SACEUR made, the U.K. had been willing to agree. In 1957-58 they would reduce their forces in Germany by 13,500 and these personnel would be mainly administrative and anti-aircraft units. They agreed to examine SACEUR's second proposal. The third one was very difficult. However, just a few days ago, they had agreed to re-submit to WEU in October the question of the second 13,500. In doing so, they made it pretty clear that in their view 8,500 would have to be withdrawn but the location of the 5,000 balance would be gone into sympathetically.

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[77] Voir les documents 597, 598.
See Documents 597, 598.

Noting the reduction in the second tactical air force, *Mr. St-Laurent* enquired whether this meant that SACEUR would expect other nations to make up the gap. In reply, it was suggested that SACEUR's plans for the future and the fact that the Canberra light bomber force is to be armed with atomic weapons would make up for the reduction in the second tactical air force, in addition to the creation of the medium bomber force in the U.K. which would be in support of NATO.

Mr. St-Laurent continued with the observation that one peculiar difficulty which we have had to face is that we have forces in Europe at all, in view of the problem of manning the Warning Lines in Canada. It seems peculiar to many Canadians for us to have our men in Europe, while the Americans have about the same number in Canada. There was the real difficulty that these Americans are stationed, by nature of the Early Warning System, in remote places where populations are small and therefore the American impact upon them is considerably greater than it would be in established larger communities in Europe or elsewhere. However, the defence of the American bases of the retaliatory force was a necessary part of NATO's tasks and must be balanced against the need for Canada to station token forces in Europe.

Mr. Macmillan, in rounding up the discussion on this item, remarked that President Eisenhower's own reaction to the U.K. force proposals was very favourable, and he had said that they would produce more effective forces than the U.K. had at the present time.

COORDINATION OF RESEARCH AND DEVELOPMENT

Mr. Macmillan thought that there would be advantage in going back to the item which Mr. Howe had raised earlier on the subject of coordination of research and development. He felt it was silly for so many to try to do the same things. He expected that there would be some loosening now of the U.S. restrictions in the nuclear field. It surprised *Sir Richard Powell* to hear Mr. Howe's remarks applied to conventional weapons, as they thought that there was a very thorough and frank exchange between the U.K. and Canada on this matter.

Mr. Howe said that this is true in respect of information and it applied particularly to research rather than to development, where exchange of information did not prevent duplication of effort. *Mr. Lloyd* noted that they find the same difficulty even as between their services; the fact that coordination in development was not as close as it might be was due principally to "the requirement of the customer".

Mr. Macmillan noted that there is of course a currency problem and *Sir Richard* referred to different engineering standards. *Mr. Howe* felt both of these difficulties could be overcome.

Mr. Lloyd said they were endeavouring to get more common action in WEU on both development and production of weapons. The U.S. liked the idea and had agreed to consider an exchange of lists of projects on which information could be passed to WEU partners.

This part of the discussion was completed by *Mr. Macmillan* saying that they would look into the matter of coordination of development very carefully and see what could be achieved in this area.

Mr. Pearson reverted to the matter of U.K. reduction of forces and observed that the WEU resolution in one paragraph indicated that the common problems called for common solutions in NATO. He hoped this would not lead to others endeavouring to reduce their forces without any gain in efficiency, basing their action on the British case.

Mr. Lloyd said that he had no doubt that other WEU countries might try to use the U.K. reduction of forces as an excuse to do so themselves and that SACEUR and others would just have to be tough about it.

Mr. Pearson remarked that he was afraid that the wrong kind of chain reaction could result in a weakening of the position of the West vis-à-vis the Soviet Union; in Germany becoming too strong relatively to other Western European powers; and in difficulties at home for North American governments in maintaining forces in Europe. It was noted, however, that if the Algerian question were solved, and the French forces there brought back to Europe, there would be a better balance, and countries such as Belgium, which was devoting only 3.9% of its gross national product to defence could not really defend reductions in their efforts on economic grounds.

Mr. Macmillan noted that in the meetings with the Americans, the latter had agreed to provide the U.K. with the "Corporal" missile, which had a range somewhat like a gun. The U.K. will own the missile but its atomic warhead would be under U.S. control. The U.K. would also be provided, probably through aid funds, with the "Thor" or "Jupiter" intermediate range ballistic missile, as soon as it became available from American production. Its atomic head would likewise be under U.S. control in the U.K. The U.S. had stated that this would be provided either through lend lease or some other way which would not involve the U.K. initially in debt. These missiles would be a tremendous help to the U.K. in its programme.

The meeting by now was coming close to its end and *Mr. Macmillan* asked about the warning lines in Northern Canada. *Mr. Howe* explained briefly what was involved in the DEW, the Mid-Canada and the Pinetree Lines, which would give as much as 4 hours warning to the Strategic Air Command. It was noted that the Americans would now like to have certain types of bases behind the more northerly warning lines which, if we did not want to build them, they would only be too happy to do themselves.

In the course of *Mr. Howe's* remarks the estimated cost of the CF-105 was placed at $3 1/2 million.

It was agreed to meet the next morning shortly after 10 o'clock at which time items 5 and 8 dealing respectively with the Middle East and the U.N. would be discussed.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Mardi matin, le 26 mars 1957

Tuesday Morning, March 26th, 1957

TOP SECRET

MIDDLE EAST

Mr. Macmillan opened the meeting with the suggestion that the two Foreign Secretaries might give their picture of the short-term situation in the Middle East and then carry on to the longer-term.

Mr. Lloyd first dealt with the *Gulf of Aqaba*. He said that in their meetings with the Americans, it had been agreed that there should be consultation on this subject with the other maritime powers. They were in favour of securing an advisory opinion or decision from the International Court. They were agreed on the necessity to secure freedom of passage through the Straits of Tiran pending such an opinion or decision. In the United States view, UNEF should stay in Sharm al-Shaikh and the United Kingdom had suggested to Israel it should not be provocative there. There was no doubt that legal adjudication must come some day. The Americans had been asked what steps they would take if there was intervention by Egypt with U.S. shipping through the Straits. The reply had been that they would contemplate the "use of a task force". It was his understanding that the Egyptians do not have any intention at present of interfering with shipping in the Straits and Saudi Arabia's recent noises in the direction of interference could pretty well be considered just that, as they had no effective force to employ. *Mr. Pearson* remarked that there was some story that the Saudis were purchasing heavy cannons from Spain to mount on the channel.

Mr. Lloyd then dealt with the *Gaza Strip*. He said that Mr. Dulles had sent to the U.S. Ambassador in Cairo a strong message for Mr. Hammarskjöld to stiffen him on the matter of Egyptian intentions to resume responsibility in the Strip. Dulles had said that any Egyptian resumption of responsibility must be only nominal and that UNEF must have control of internal security. Before proceeding further on this subject, it would really be necessary to await the results of Hammarskjöld's visit to Cairo. If the Egyptians insist on going back into the Gaza Strip, the point would of course arise as to whether UNEF should be withdrawn. It was apparently Mr. Dulles' view at the beginning of the talks that the main problem was rather how to stop the Israelis attacking Egypt if the Egyptians return to the Strip.

Mr. St-Laurent remarked that it might be unwise to make any public pronouncement about any balance which might be achieved in the Gaza Strip. It was his view that if no one talked about it, the Egyptians would be quite happy to have control in Gaza undertaken by somebody other than themselves.

Mr. Pearson reported that Mr. Hammarskjöld had taken a strong position on the matter of internal security. Without control of this, it would be difficult if not impossible for UNEF to carry out its functions on the demarcation line. Mr. Hammarskjöld, he understood, was going to put this to Nasser as the view shared by the bulk of the Advisory Committee. If the work of UNEF were to be made impossible by Egypt and Israel, it would be impossible for Canada to remain in UNEF. He reported that the Egyptians had their suspicions of Canadian purposes (because of the link with the Western "imperialists") which were perhaps somewhat heightened in view of the large Canadian part in the composition of UNEF, and in addition some of the Afro-Asians ascribed nefarious reasons for Canada's participating in it. Should UNEF have to leave, Egypt and Israel would of course be face to face. Fearing this, Egypt might be a little more cooperative. The Indians had made noises about withdrawing from UNEF if the force were in any way to take on the complexion of an army of occupation. In their view, UNEF was the guest of Nasser and should leave at his command. It is the Canadian view that the force must be able to work properly but in order to do so it must be given every chance. He was sorry that the Americans had not in the end delivered Mr. Dulles' message referred to above to Mr. Hammarskjöld, as the latter in his talks with Nasser would be under great pressure. It was the Canadian view that the Egyptians have by virtue of the armistice agreement the same right now in the Gaza Strip as before the Israeli invasion. *Mr. Pearson* went on to say that the first ideas about UNEF taking over the full administration of the Gaza Strip had been unrealistic because of the vast amount of work that would have been involved. It would be satisfactory from our point of view if UNEF could secure the control over internal security.

Mr. Lloyd said that General Burns had taken up a plan to divide the administrative functions in the Strip with Egypt. This information he had obtained in a late telegram which went on to say that Hammarskjöld was returning the next day to New York and might want to reconvene the General Assembly so as to present a full report. *Mr. Pearson* observed that the Advisory Committee would have to meet before that was done. Mr. Lloyd continued a quick reading of the telegram which he had just received on this matter.

The Canal

Mr. Macmillan observed that McCloy was on his way out to Cairo. *Mr. Lloyd* enquired what could be done to keep Hammarskjöld in Cairo until he received an answer on interim management of the Canal. *Mr. Pearson* explained that Hammarskjöld had no mandate to negotiate on this matter and probably all he could do would be to receive a counter-proposal from the Egyptians and then return to New York with it. *Mr. Macmillan* enquired what should be done if Nasser took a completely obstructionist view. *Mr. Pearson* replied that so far the Advisory Committee had nothing to do with the arrangements following the clearance of the Canal. On the other hand, he would certainly prefer to have the Committee work on Mr. Hammarskjöld's report rather than have the General Assembly seized of it. He then went on to explain something of the way the Committee actually worked. It was *Mr. Pearson's* view that if Mr. Hammarskjöld came back with a depressing report, the Committee could suggest that the matter be passed on to the Assembly, which in turn could invite Egypt to cooperate to the maximum extent. Indeed, we could probably get through the Assembly our type of resolution at that time if Egypt were really shown to be recalcitrant. *Mr. Lloyd* remarked that he thought that Mr. Dulles would feel more in favour of the Canadian type of resolution now than he had before. *Mr. Pearson* reviewed the points which Mr. Lodge had expressed to him at the time they were contemplating the Canadian resolution.

Mr. Pearson then enquired whether President Eisenhower had said what would happen if the Israelis moved again into Gaza or if Nasser requested UNEF's withdrawal. *Mr. Lloyd* reported that Mr. Eisenhower still regards the tripartite agreement as operative, that is to say that there would be consultation amongst the parties, but the President had not been specific in saying that he would contemplate military action. *Mr. Macmillan* then observed that our main interest at this time was not to have a flare-up there again. *Mr. Pearson* thought that it would be possible to come to an arrangement over Gaza which would give the appearance of Egyptian control, but that on the other hand it was clear that Israel has no desire to have UNEF on its side of the border. Israeli obduracy on this point was unfortunately a good card for Nasser. *Mr. Lloyd* said that they were trying to do their best in Tel Aviv to get the Israelis to accept UNEF on their territory, and thought it would be helpful if the Israelis could agree even to letting UNEF in at only one or two places. *Mr. Pearson* again remarked that the Israelis have no great desire to see UNEF kept in Gaza but would like to see its departure come about as the result of Egyptian action. *Mr. Lloyd* agreed that the Israelis do not think much of UNEF because they are convinced that it cannot keep down the Fedayeen raids and of course its presence would prevent their reprisal system which they consider most useful. *Mr. Pearson* noted on the other hand that Mrs. Meir had told him that the Israelis had never said that they would not accept UNEF on their side of the border in due course.

Mr. Macmillan then gave the following brief summary. On the Gulf of Aqaba they were in favour of obtaining a decision from the International Court on the subject of the right of passage. He observed that together with the Americans, they had a strong mutual interest in keeping the situation there quiet so as to prevent precipitate Israeli action. There did not seem to have been much progress in the matter of the Canal. He wondered about the purpose of McCloy's visit, and what financial aspect he was going to investigate. Was it tolls? *Mr. Lloyd* then raised the subject of Krishna Menon's visit to Cairo. *Mr. Pearson* said that according to Krishna's own account, he had not been unhelpful in his talks with Nasser. *Mr. Macmillan* said that when Menon passed through London, he had mentioned that he thought that Nasser at this stage should present a prospectus setting out the terms on which the Canal should be opened once again to traffic.

Mr. Lloyd enquired what should be done if Mr. Hammarskjöld came back without a prospectus on the use of the Canal. He pointed out that Italian shipping had already started to pass through the Canal and the owners were paying their tolls directly to the Egyptians. *Mr. Pearson* enquired what U.K. shipping would do. *Mr. Lloyd* said that U.K. registry ships were not likely to start to use the Canal very soon for technical reasons of routing, etc. It would be at least two or three weeks before they could do so. Moreover the Gulf of Suez may still be mined. It was certainly unfortunate that the Canal clearance had in fact been completed before some agreement over its use had been reached with the Egyptians. The only fresh idea which the U.K. had devised was a system under which ship owners might pay full tolls to the Egyptian company, while at the same time the equivalent of half the tolls would be taken from Egyptian sterling balances in London and placed into a special account. In other words, for every £2,000 paid to the Egyptians as tolls, the British would extract a fine of £1,000 from the Egyptians' sterling balances. The Americans thought that they might do the same thing, possibly even "fine" the Egyptians a full 100%.

Mr. Macmillan enquired whether Mr. Hammarskjöld would go out again to Cairo after consultation in New York. *Mr. Pearson* thought that he would not do so without a much clearer mandate. *Mr. Pearson* then observed that he thought it very unlikely that Nasser would accept the Four-Power proposal on the Canal. *Mr. Lloyd* said that the original proposal might now be refined by having the full amount of the tolls paid to Nasser if he undertook to pay half of them over to a designated agency. *Mr. Pearson* wondered whether Mr. Hammarskjöld knew of this possible concession. *Mr. Macmillan* said no, that they were going to keep it as a possible bargaining factor in the event that Nasser gives a highly unsatisfactory reply to the Four-Power proposal. *Mr. Lloyd* then remarked that the idea of a boycott was really a non-starter, as it could not be effective. The Panamericans, Liberians, Greeks and Italians, for example, would not conform. *Mr. Macmillan* said that he would like to ensure that, on Mr. Hammarskjöld's return to New York, there would be consultation between him and the U.S., the U.K. and Canada as to what he should do next. *Mr. Pearson* observed that when Mr. Hammarskjöld returns, he should talk to the representatives of the Four Powers who had put forward the Canal proposal (the U.K., the U.S., Norway and France) before, or rather than, talking to the Committee about the operation of the Canal.

Mr. Lloyd then summarized the discussion by saying that the question of the Gaza Strip would probably eventually get to the General Assembly, and that of the Canal to the Security Council. Of course the debate in the Security Council might well end with a Soviet veto. *Mr. Pearson* said while that was possible, it should be remembered that last time the Canal was before the Council, progress had been made in private talks amongst the members. *Mr. Lloyd* thought that perhaps in their meeting they should have got the Americans to agree "not to fudge it" if the matter came up in the Council. It remained to be seen just how far the U.S. would go with firmness.

Mr. Lloyd then asked what could be done in the way of executive action at this time. Could anything be done in Cairo today? *Mr. Pearson* said that there was an Advisory

Committee meeting at 3 o'clock and that we would have a report about it around 6 o'clock. *Mr. Lloyd* then went on to enquire how the Security Council could deal with the Canal and it appeared that the Council could act on it as the follow-up on the rejection of the six principles.

Mr. Macmillan then made a further brief summary. He said that on Mr. Hammarskjöld's return, he should report to the Four Powers in respect of the Canal, that the U.K. and U.S. should consider together whether to take Mr. Hammarskjöld's report on that subject to the Security Council, or whether it might be more advantageous to exert some further financial squeeze on Egypt or, on the other hand, offer Nasser a bribe of some sort so as to get him to come to a settlement.

Mr. Lloyd said that the Egyptian memorandum of the other day was not too bad as a first gambit. On the other hand, it could not be considered very good if it were to be their last stand. *Mr. St-Laurent* then observed that it was quite possible that Mr. Hammarskjöld may come back from Cairo with the Egyptian view that they now own the Canal, that they are prepared to keep it open in accordance with the terms of the 1888 Convention, that the height of tolls which they will charge would be reasonable, and while they might retain a reasonable profit, they would still set aside a reasonable amount for operation and development. *Mr. Macmillan* said that such a suggestion could probably be accepted in the short-term, but that it would perhaps be wise to continue pressing for something better for the long-term. Should we cajole or bully Nasser? Which way will the U.S. play? What mechanism should be employed to do this effectively? *Mr. St-Laurent* asked whether the alternative was not to have Egypt accept some form of right for the users having something to say on the amount to be expended on the up-keep of the Canal. *Mr. Macmillan* observed that in a case like that, he was sure that the Egyptians would not want the users represented in the form of governments, but rather in the form of ship owners. *Mr. Pearson* then suggested that perhaps it would be best to postpone this part of the discussion until we heard further from New York and Cairo. Just before leaving the subject, *Mr. Lloyd* wanted to make the point that they were reluctant to introduce SCUA into the affair at this stage as Egypt was apt to reject it at present.

Mr. Macmillan then suggested that the meeting might get on to the *longer-term questions in the Middle East*. There was some suspicion amongst the public in the U.K. that the U.S. wanted to replace the U.K. in its influence in the Middle East. He had been happy to learn that President Eisenhower clearly did not consider this to be the U.S. desire, and that he did not accept the theory that U.K. influence was through in that part of the world. After all, British influence was still there. The Persian Gulf was steady. Nuri remained in power. The Eisenhower Middle East doctrine was fairly obscure but the Americans had undertaken to discuss with the U.K. how it would be applied to the area. Eisenhower had observed that what was really needed was a proper joint staff study on the longer-term joint influence and objectives of the two countries in the Middle East. It would be unwise to let the French know about this, as it would be better to keep them out of such a study. The American announcement of adherence to the Military Committee of the Baghdad Pact was important, but it must be understood that they do have a general tendency to back all the horses.

Mr. Lloyd said that the Americans had been pleased with Saud's visit to Washington. Saud was in a rather difficult position and he had to watch his step carefully. He had a problem about Egyptian penetration and then there were the Palestine refugees. It was the view of the Americans, as well as of the U.K., that a rapprochement between Iraq and Saudi Arabia was necessary. It was the U.K.'s hope that Jordan would end up with Iraq and Saudi Arabia supporting it. Jordon should be kept as an independent state out of the hands of Egypt and Syria. *Mr. Pearson* enquired whether the Americans had talked about the long-term prospects of Israeli-Arab settlement. *Mr. Lloyd* said that generally the Americans believed that if UNEF could be kept in the area and on both sides of the demarcation line, the resulting pacification might enable results to be achieved piecemeal. *Mr. Macmillan* then observed that it was very hard to know exactly what the Americans will do when it comes down to a point. There was then a brief discussion on what was happening in Syria. In brief, nobody really knew.

Mr. Lloyd then stated that the U.S. were quite ready to accept the idea of having *international guarantees for new pipelines* in the Middle East, that is, guarantees in the form of a treaty between Iran, Iraq, Turkey, the U.K. and the U.S. *Mr. Macmillan* said that, in view of the enormous cost involved in the construction of pipelines in the Middle East, it would be a great advantage to have some sort of "1888 convention" on pipelines which he hoped would have better results than the one on the Suez Canal. *Mr. Lloyd* said it would be foolish to encourage the Israelis in any way to build a big pipeline from Elath to the Mediterranean coast, as it was quite possible that it might be one without oil. *Mr. Pearson* observed that as far as he knew the French were backing not only the little one now under construction, but also the projected big one. It was *Mr. Lloyd's* view that oil from Iran for such a pipeline might not be available in the future if heavy Arab pressure were to be brought to bear on that country.

Mr. Pearson then suggested that there might be some discussion on the subject of *arms to the Middle East*. *Mr. Lloyd* said that they had asked Mr. Dulles how long the current UN resolution putting an embargo on arms shipments to the belligerents was to last. Was it until the whole situation was wound up in a final settlement? The U.K. had been interpreting the operation of the resolution very strictly vis-à-vis Israel, so as not to give the Soviet Union an incentive to supply Egypt further. Probably this stratagem would not be successful, but the U.K. wanted the Soviet Union to be put in the position of being the first to break the embargo. On the other hand, the U.K. had to bear in mind that it would be unwise to do anything which might drive the Israelis, who were now fairly relaxed, back to the state of tension which had existed previously on the matter of arms. So the U.K. would probably have to have let up a bit on the strict observation of the resolution fairly soon.

Mr. Pearson thought that Mr. Hammarskjöld, and particularly Mr. Bunche, did not trust the Israelis. They had reasons for this view but it was unfortunate. The result was that Mr. Hammarskjöld was put in the position of appearing really to be in touch with one side only in the dispute.

Mr. Pearson enquired whether the U.K. and the U.S. had had any discussions about *refugees in Gaza and in Jordan*, and all the Ministers wondered how long it would be possible to go on supporting 700,000 people in that area through UNWRA. *Mr. Lloyd* mentioned that to his knowledge Nasser had stated that he had offered to re-settle 50,000 refugees but they themselves had refused his proposal, preferring to stay in Gaza with their grudge.

THE UNITED NATIONS

Mr. Macmillan then suggested a discussion about the United Nations. He expressed in warm terms his thanks to Mr. Pearson for all the understanding and assistance which the latter had given to the U.K. last fall. He said the question in U.K. minds was how to make the United Nations more effective.

Mr. Pearson said that he knew about the U.K. worries in this regard, and these were worries which Canada shared up to a point, but beyond that point Canada was not in complete agreement with the U.K. The addition of new members, in which Canada had played some part, had really been inevitable, so he was not going to express regrets about it. After all, these new members were not all on the debit side and we had managed to get in some helpful countries such as Japan, Ireland, Italy and Austria.

It was true that the Afro-Asian group could, if they worked together, block any resolution in the Assembly, but by the same token our side can make up one-third to act as an Assembly veto also. The Afro-Asians did not in practice really work together as a bloc and the experience of the last Assembly proved this. It was believed that the more respectable members of the Afro-Asian group did not want to form a bloc. Group activity would be a problem as long as each state had one vote but on the whole, *Mr. Pearson* felt that the record of the General Assembly was not too bad. In this regard one's judgment about the actions of the General Assembly depended, he thought, really on one's view of whether it should or should not have intervened at all last fall. The debate on Algeria had not been unhelpful and, in his view, the one on Cyprus had not done anybody harm. It would be desirable if there were more responsible membership. He knew that the U.K. felt that recent experience indicated that there was a double standard of morality in the Assembly.

Mr. St-Laurent asked whether this double standard was not the most worrisome feature of the Assembly. The General Assembly could only recommend and some governments did not pay any attention to its recommendations. The result could be that those governments which wanted to practise good international behaviours were at a disadvantage.

Mr. Pearson added that while every member could accept or reject a recommendation of the Assembly, nevertheless in some cases acceptance was not an unmixed disadvantage. Some governments might welcome the advice they received as a solution to international matters which were causing them domestic difficulties. While the resolutions on Hungary could not be implemented, it was a good thing to have passed them and to have brought world opinion to influence the situation in some way at least. The double standard was pretty well a fact of life.

Mr. Pearson said that the basic trouble at the last General Assembly was that the U.K., the U.S. and France could not work together. In many eyes the prestige and leadership of the U.K. had suffered a reverse. When these countries could not work together, the General Assembly lacked leadership.

Mr. Pearson said that it would be desirable to use the Security Council once more on matters with which it was supposed to act. If these could be returned to the Security Council, it would be just that much better for the General Assembly. It was our hope that it would be possible to continue to use the General Assembly for the purposes for which it was originally set up but this could not be done without Anglo-American leadership in the Assembly.

Mr. Lloyd said that we all realized, of course, that the United Nations was with us and that we had to work with it and through it. Nevertheless, there was public criticism of the double standard which had developed. He felt that this arose through the reluctance of a great power, i.e. the U.S., to come out with a firm policy. In their talks with the Americans they had made the point as strongly as they could that the U.S. should not "leave it all" to the United Nations. Mr. Pearson agreed that this concept of leaving it all to the United Nations was the best way of destroying the United Nations. It seemed to him, however, that recently such an attitude with regard to the Middle East just happened to suit U.S. policy. It would be quite a different thing in the case of anything that happened in Latin America or the Far East.

Mr. Macmillan noted the recent American passion for majorities and how seeking for such 2/3 majorities for resolutions resulted in leaving the Secretary-General in an equivocal position. *Mr. Lloyd* said he thought that Mr. Hammarskjöld recently had been unjustly criticized and *Mr. Pearson* remarked that he thought Mr. Hammarskjöld's main fault was that he accepted such equivocal jobs. *Mr. Macmillan* observed that it would be desirable in the future to try to force the U.S. to have a definite policy in the United Nations with regard to the Middle East.

Mr. Pearson said it was true that the good old days when the U.K. and the U.S. could work up a practically automatic 2/3 majority had gone. The only answer now was to work harder at securing support. It could be done and he thought that something could be accomplished with the more responsible and respectable members of the Afro-Asian group. There was then some discussion about Mr. Lodge.

Mr. Lloyd said that during their talks he found that the U.S. did not think new countries should be accepted as members of the United Nations, as it were, at once. They tended to the view that such countries should go through a period of probation on the outside to prove their peace-loving character. The U.K. could not possibly take that view with regard to her ex-colonies. *Mr. Pearson* suggested that such a view would tend to force these new nations into the Arab-Asian bloc and it was important to avoid this. There was a brief discussion on the activities of Krishna Menon and his role in endeavouring to create a cohesive Arab-Asian bloc.

Mr. Macmillan enquired rhetorically whether Germany would forever continue not to be a member of the United Nations. *Mr. Pearson* indicated that the case of Germany was analogous to that of other divided countries, none of which were in the United Nations. *Mr. St-Laurent* said "none except Ireland". (Laughter). *Mr. Macmillan* and *Mr. Pearson* agreed that this idea of probation was undesirable. *Mr. St-Laurent* observed that it was worth quite a lot to have ex-colonies come quickly into the United Nations and by our behaviour there to show that we were a good group to work with.

In regard to tactics at the United Nations, *Mr. Pearson* agreed that any suggestion of building up a formal Western bloc would not be wise. *Mr. Lloyd* observed that while there was, of course, a European group at the United Nations, they tried to keep it of such a composition that any appearance of its being a NATO group would be avoided. This was really a group for consultation purposes rather than voting. *Mr. Pearson* agreed that was so and that we also had a Commonwealth group for the purposes of discussions. On the other hand, the Afro-Asians were beginning to build up a very formal sort of organization for their group, complete with a chairman, etc. Although this had disadvantages from our point of view, it also had some advantage, since experience showed that the more responsible members of that group were able to modify or even to suppress some of the wilder types of resolution to which the Afro-Asians might be led, for example sanctions against Israel.

Mr. St-Laurent remarked that in spite of being unwieldy, the General Assembly had been instrumental in keeping the situation from getting worse in the Middle East. So far, it had prevented a renewed flare-up and had kept things from going too far. *Mr. Macmillan* said that while this was quite true, he was alarmed about the possible results which could arise should Nasser throw UNEF out of Egypt and be obdurate about the problems of the Gulf of Aqaba, Gaza and the Canal. *Mr. Pearson* said that if Nasser took that kind of obstructionist position, a condemnatory resolution could probably be secured in the

Assembly which would facilitate the use of the right kind of national foreign policies to meet that situation. In short, it was easier to act with economic, diplomatic and financial measures in the Middle East, given the blessing of the Assembly. *Mr. Macmillan* evinced some interest in Mr. Pearson's remarks at that point. *Mr. Lloyd* said that British public opinion just would not stand another bad situation in which the U.N. was stricken with apparent paralysis. *Mr. Macmillan* observed that he would like to see a strong, honest resolution voted on in the Assembly even if it did not achieve a 2/3 majority and even though Nasser could not be made to comply with it.

(At this point the Prime Ministers left to attend a military review.)

EUROPEAN ORGANIZATIONS — "THE GRAND DESIGN"

Mr. Lloyd opened the discussion on this subject by saying that, in his view, the situation now required a closer association of the various European organizations and he referred to the statement that he had made at a recent NATO meeting on this issue. He spoke first in regard to the necessity of closer relations between WEU and NATO. It was undesirable that these should be two separate clubs. WEU should not develop too much political autonomy outside NATO. For this reason he had made the suggestion that WEU headquarters be shifted from London to Paris and he had been surprised that this was turned down by the other members of WEU. Apparently the Germans preferred to lay emphasis on WEU because the U.S. was not in it, while the Italians were influenced by the supra-national European concept. Perhaps too they hoped that the control of armaments would be continued by WEU rather than by NATO, with its American partnership.

Mr. Lloyd went on to speak about his ideas concerning a common assembly for these European organizations. He thought perhaps it should be organized like the U.N. Assembly, with a number of committees that would deal with various fields of activities. There might, for example, be a military committee, but it should not report to the plenary sessions for that would embarrass the neutrals in the assembly. Nevertheless such a military committee might provide an opportunity for the Parliamentary representatives to discuss defence matters in the general context of the assembly. Other committees might replace the Council of Europe and some might deal with cultural affairs. Another committee might discuss the reports of OEEC and other economic affairs. All the countries concerned could be members of the assembly but would choose the committees on which they wished to sit.

There would be difficulty in formulating in words the relations of the U.S. and Canada to such an assembly, though it should not be difficult to develop an effective and acceptable practice for that relationship.

Broadly speaking, the U.S. thought this concept had some appeal. In particular, they had shown a desire to be present at discussions of European defence matters, which were of vital interest to them.

Mr. Lloyd said that the U.K. had produced a working paper on this matter which, without being overly optimistic, he felt would be worth developing further. It was important that such an organization should not be exclusive, if the U.S. and Canada wished to participate in it.

Mr. Pearson said that the general principles of what was proposed seemed sensible, but it should not be developed in a manner that would encourage U.S. continentalism. He thought there should be some way of associating the U.S. and Canada with it. He had sensed an increasing feeling that European countries must develop more in the way of common policies on European questions and must endeavour to integrate their various European institutions.

ATTITUDE TOWARD GERMANY AND THE SATELLITES

Mr. Lloyd opened the discussion on this subject by saying that he was worried about the case of the West in regard to German unification and its relation to the West. This was important because of its bearing on the German elections. In the interest of Western unity, it was highly desirable that Adenauer should win the elections, although the alternative would not be as bad, he thought, as it may have looked from time to time. It was difficult to adopt a public approach which could be maintained consistently and prove popular in West Germany itself. He cited as an example a recent speech by Mr. Gaitskell about taking troops out of Germany. The basic line that the West was following was to propose free elections in each part of Germany and a free choice for the Germans in regard to their own future. Russia, on the other hand, was arguing for the "preservation of social gains" which meant the retention of Communism, and elections only by agreement between the two parts of Germany.

The policy of the Western countries had never been fully understood in Germany and even the Summit Conference in Geneva had not been too helpful. The U.S., the U.K., France and Germany had had a working party of officials drafting up a policy and the means of its presentation. Its work had just been concluded in Washington and would be resumed as required. The results of its work will be reported to NATO.

Mr. Pearson pointed out the difficulty of developing a more attractive policy in this field if no new elements could be introduced into it. While *Mr. Lloyd* agreed with this observation, he could not see what changes in substance could be made at this time. Mr. Pearson enquired whether they planned any contact with the Russians on this major issue. *Mr. Lloyd* said that he had no doubt that the Russians would make some proposals public before the German elections. He thought at some point it would be necessary to see the Russians but Adenauer was against any meeting with them before the German elections. The new British Ambassador in Moscow had seen Gromyko, but had achieved nothing on this subject in discussions with him. *Mr. Lloyd* concluded on Germany by saying that in the recent discussions the Americans did not themselves seem to have any new ideas on this subject of German policy and did not wish to meet with the Soviets on the matter at this time.

Mr. Lloyd said that he had talked to Mr. Dulles about the attitude toward the satellites, saying that efforts should be made to penetrate the Iron Curtain with ideas, but not to stir anyone up to revolution. He had found Mr. Dulles sympathetic to this point of view.

Mr. Pearson noted that he had had a number of talks with the Poles at the United Nations and found them sympathetic but seriously worried about the recrudescence of Stalinism. He felt that the West should continue to be as forthcoming as possible in dealing with the Polish government, without going so far as to endanger its position by too much identification of it with the West. He noted that Canada has recently sold a substantial amount of wheat to Poland on credit and might well be in a position within some months to return to Poland some of the national art treasures that had been left in Canada. The attitude of the Polish population in Canada was now becoming more favourable to the Polish government.

[PIÈCE JOINTE 3/ENCLOSURE 3]

Mardi après-midi, le 26 mars 1957

Tuesday Afternoon, March 26th, 1957

TOP SECRET

FAR EAST AND CHINA TRADE

Mr. Macmillan said that he had raised the topic of China with the Americans and in doing so explained that there were, from the U.K. view, two aspects of it: (a) the constitutional or U.N. membership aspect; and (b), the trade or strategic control aspect.

He had explained to the Americans that as time went on it was becoming more and more absurd that Communist China was not a member of the U.N. It was true that at home the feeling about the constitutional aspect was not as strong as public criticism in connection with trade controls on exports to China. Although the Americans and themselves were unable to come to any appropriate mutual agreement on the matter, Mr. Dulles and Mr. Lloyd had drawn up a paper of understanding which at least clearly indicated each other's views.

Mr. Lloyd, in explaining the approach they had taken with the Americans, remarked that up to now the U.K. had taken the initiative in furthering the principle of a moratorium on China's membership in the U.N. On the second aspect, they had suggested to the Americans that both governments should draw up a coordinated list of prohibited goods. It would be applicable not only to China but also to the rest of the Soviet Bloc. They did not find the Americans too receptive to this idea inasmuch as the latter were determined still to have a Chinese differential on the prohibited, limited and watch lists.

Returning again to the matter of membership, *Mr. Lloyd* said that logically the *de facto* régime in China was entitled to a seat. On the other hand in the U.S., should China be seated, there would be strong pressure on the government to leave the U.N. The Americans had told them there would be a serious risk of Congressional reaction and that that was a continuing problem for them which gave no grounds for hope in the future. The Americans had explained that the U.S. had two fronts. The Atlantic front had considerable depth because it comprehended not only the Atlantic Ocean but also the countries of NATO. In contrast, the Pacific front had very little depth at all and really consisted only of a few island outposts in the Far East. To yield the seat in the U.N. to Communist China, apart from the effect it would have on the voting structure in the U.N., would undoubtedly bring about an eroding of the strength of the island screen. To some extent the U.K. could appreciate this view inasmuch as they have their worries over the position of Hong Kong.

Referring to the trade question, *Mr. Lloyd* said that the U.K. could not continue to tolerate the differential and he thought that they had convinced the U.S. of that fact. For example, what really was the difference between sending tractors to the Soviet Union which would reach China in due course, and sending them to China in the first place? He went on to say that the immediate national problem for them was the moratorium, as it might be upon us from week to week in subsidiary bodies of the U.N. Until now, the U.K. had justified their support of the moratorium on the ground that until enough agreement had been reached among members for Chinese admission, to do otherwise would bring too much of a strain to bear upon the workings of the U.N.

Mr. Pearson noted that, when the subject came up in the last General Assembly, 24 had voted in favour of admission and that was not as many votes as had been expected. He thought that there was no problem with regard to subsidiary bodies of the U.N. and that it could in any case be held off until the next General Assembly, as membership in subsidiary bodies was first decided in the Assembly. The situation should be reviewed just before the next General Assembly, as it was his view that China's membership could not be held off much longer. Of course Canada had not yet recognized Communist China de jure. He felt that the West had been fortunate to get away with the last Assembly vote on membership.

Mr. St-Laurent explained that the problem of Communist China did not concern Canada in the same way it did the U.K. There was not much real public concern in Canada on the subject. There were, of course, two views: some people would be unhappy and extremely critical over the admission of China to the U.N., while there would also be some who would express their satisfaction at the outcome. Actually it was more convenient for the Canadian government if the question did not arise just at this time.

On the trade question, too, Canada was in somewhat different position because her trade with China was not of comparable importance to that of the U.K. He thought that the watering down of the embargo would have little effect on our trade.

Mr. Howe observed that Canada always maintained an open border with the U.S. If Canada were to become a backdoor for trade with Communist China, he thought that there was no doubt that she would get in trouble with her American friends. He was not enthusiastic about trying to press beyond the distance the U.S. is willing to go in this matter. When one came down to brass tacks, he really saw no reason for the China differential. Because of the nature of her exports, the China List was for all practical purposes a complete prohibition for Canada. He was not in favour of opening the trade side without diplomatic representation in China. However, if others could arrange it, Canada would be happy to have an agreed common list.

Mr. Lloyd remarked, and he said that he had told the Americans this, that it was his feeling that ever since the Hungarian affair the force of political pressure at home on the membership question had lapsed somewhat but on the trade front it was still heavy.

Mr. St-Laurent said he wished the U.K. all possible luck in endeavouring to arrange with the Americans to reduce the list of prohibited exports to China as, of course, the outcome might possibly be of advantage to us in regard to increasing exports from Canada to China.

Mr. Lloyd said that the fact that political pressure in the U.K. had reduced as far as seating China was concerned had been received by Mr. Dulles with some relief, and that the latter had told him that this would make it easier for the Americans to deal in some way with the trade aspect. It was peculiar to see, on the one hand, the U.S. buying practically the whole of the hog bristle output of Communist China via Japan with apparently no qualms on the part of the American public, and on the other hand, considerable opposition from the U.S. to the U.K. wishes to sell 50 tractors to China.

Mr. Pearson said that he had felt for some time that American public opinion against the recognition of Communist China was not as great as Washington indicated; the opposition really centred to a significant extent in the China lobby and Mr. Walter Robertson. He thought that the U.S. could get away with more than they were willing to let on.

This discussion was concluded by *Mr. Macmillan* remarking that the matter of China's membership in the U.N. could not be held up very much longer.

TRADE QUESTIONS

Common Market

Mr. Howe opened the discussion by saying that we were interested in the possible effects which the establishment of the common market would have on agricultural products and on European customs tariffs and restrictions. He recalled with pleasure the visit last year to Ottawa of Mr. Thorneycroft who had been very helpful in explaining to us European thinking at that time. It was his view that if, upon the establishment of the common market, we could hold the access for agricultural and other products which we already have in Europe, the net result would be satisfactory to us. He would like to know, however, how the outlook was now in that regard.

Mr. Macmillan said that when he had been in Washington last September, he had expressed the dilemma in which the U.K. would find itself should the common market be established. The U.K. realizes that it could do one of two things: (a) join it in a free trade area with all the future risks of competition and with the advantages of a larger base for markets; or (b) keep out of it and deal with it as a whole, subject to its tariffs. He explained that, in the U.K. conception, the free trade area is one for *manufactured* goods, within which tariffs on such goods would gradually be reduced. All the European nations regarded agriculture as a thing apart. Whatever they might say, it was his impression that these countries would do everything possible to protect their agriculture. If the result of establishing the common market were simply to enhance the productivity and the competitive position of German industry, he felt that all U.K. markets in and outside Europe would be in danger. In order to head off that outcome, the U.K. had made the proposal of associating itself with the common market through a free trade area.

The U.K. was very concerned about the way things had been developing recently. As far as agriculture in the common market was concerned, the members seemed to be intending to have some kind of control system, and he thought that the result might be something to which both Canada and the U.K. would have objections. The French were particularly in favour of this as they were a high cost agricultural producer. They faced the choice of either protecting their high cost production or trying to reach a solution through devaluation, but the latter course would in itself be disastrous because wages in France were coupled with an automatic index clause. He thought the French were trying to use the mechanism of the common market to secure every possible advantage and thus avoid the necessity of really tackling their domestic problems. The proper economic solution was to a large extent politically impossible for them. Some concessions which had been made to France at least were supposed to be temporary and related to the nature of their social security system. U.K. manufacturers were concerned lest these temporary concessions would end up as permanent, built-in advantages for France. Generally, U.K. manufacturers were prepared to take the risks of competition but the less well-organized were not happy about the prospects.

Mr. Macmillan reported that two days before the signing of the common market treaty, the French had persuaded the Germans and others to include the overseas territories. This presented the U.K. with another serious problem. It could result, for example, in bananas produced in a French possession entering the market with a great advantage over the traditional British product from the Bahamas. If the common market in which the overseas territories were included were to have a relatively low tariff for such imports, it would be tolerable but if the level of tariffs were, say, 20% or 25%, there would be a big problem for U.K. overseas territories.

The great question was whether the common market would result in a trading structure designed to increase trade within the area and thus reduce costs, while having a moderate level of tariff on imports from outside, or whether it would be a high-cost producing area sheltering behind a high tariff. Until the O.E.E.C. report has been received and negotiations undertaken, one cannot tell whether it is profitable for the U.K. to press on with its plan for the free trade area. The terms of the treaty were not yet known and it was not clear whether in fact the spirit is protectionist or otherwise.

Mr. Howe said Canada would be very disturbed if the common market was a high-cost one surrounded by a high trade barrier. He hoped that if the colonies came in to the common market they would be right in, and the tariff would be the same all around including the colonies. GATT will have a lot to say about this. The establishment of a common market will upset the whole trading world in many ways.

This part of the discussion ended with *Mr. Macmillan* observing that it was his opinion that the Germans had given in to the French on the inclusion of overseas territories on Chancellor Adenauer's direct instructions.

U.K. Trade with North America

Mr. Howe opened this subject by expressing Canadian appreciation of the increasing level of U.K. exports to and imports from North America. This favourable development had, in his view, come about principally because the U.K. in recent years had had more goods available to export; he believed this trend would continue. He thought, however, that he should point out that in this trade there were growing Canadian irritations about little things. For example, the U.K. had import restrictions on such Canadian exports as canned salmon and lobster, canned fruit, apples and cheese. It irritated the Canadian exporter that permits were required for these products when in fact we had not in all cases been able to fill the quotas available to us. It was his view that if the U.K. did away with permits on these products, it would not cost the U.K. much. Demands were made in Canada from time to time for import quotas and the U.K. was cited as an example of what is acceptable. It was not possible to go on forever with an open market on one side and restrictions on the other.

Another thing which was bothering Canadian exporters was the U.K. restrictions on the import of chemicals from Canada while these were allowed in from Germany. We were interested particularly in pentaerythritol and polyvinyl chloride, as examples where restrictions had been re-imposed against us after being removed.

He hoped that the Continuing Committee of officials that deal with Canada-U.K. trade could be given a little latitude to do something about such causes of irritation. He concluded by saying that Canada would be glad to do something on its side to make their life happier in the U.K. in regard to matters of this kind.

Mr. Macmillan agreed that these small but bothersome problems should be looked into at the May meeting of the Continuing Committee.

The Caribbean

Mr. Macmillan said the problem of the West Indies was to meet their desire to be free yet to have more economic aid. Perhaps some sort of joint economic development plan could be developed and he thought this might be discussed with Canada because of its great interest in the area, and then perhaps with the United States.

Mr. Howe said the West Indies represented a handy market, although not a big one for Canada. Exports to the West Indies had been on a token basis for a long time and Canada is always complaining about our trade difficulties there. Canada would only want to consider aid to the area in connection with arrangements for trade with it. Canada would like to get the same sort of freedom of trade that she had in the area before the war. In his view it was a matter of trade *and* aid rather than trade *or* aid. (In so far as the Americans came in, Canada would prefer to see them in for aid rather than trade.)

Mr. Macmillan observed that broadly speaking all the islands of the West Indies have in the past drawn on the U.K. for assistance and they would accordingly claim that upon becoming independent, they ought to have some sort of Colombo Plan for a period of 5 or 10 years. He thought that the West Indians would need realistic advice from those whom they respected to acquire the right perspective in this matter.

Mr. Pearson suggested that it might be possible to bring the West Indies into the Colombo Plan in some manner and a little of the aid given through the Colombo Plan could be diverted to the West Indies. The educational value of West Indian participation in a broader plan of that nature with other countries would be substantial.

Mr. Howe observed that if a trade agreement which would re-establish pre-war conditions of free trade could be signed by Canada and the West Indies, he thought that considerable private Canadian investment would be made in that area.

Mr. St-Laurent said that if we could have a trade agreement which resulted in a greater exchange of goods, this would increase contacts between the two areas and heighten Canadian interest in the West Indies. It would thus be easier for the government to contemplate giving some assistance to the long-term buildup of their economy on the grounds of long-term Canadian self-interest.

Mr. Macmillan felt that if a Colombo-type plan was developed for the West Indies, all kinds of other people in the general area, such as Haiti for example, would want to come in to it.

Mr. Pearson said that he thought that, perhaps, would be so if a separate plan for the West Indies was devised, but if the West Indies were merely to be included in the existing Colombo Plan, it ought to be much easier to keep out other aspirants.

Mr. St-Laurent was not quite sure he agreed with that view. Technical assistance and private investment might well be enough to look after their needs. Canada already provides a subsidized steamship service to the West Indies which had been undertaken to support our export trade. Something of this nature might be continued.

It was understood on both sides that the matter would be studied further.

Travel Allowances — Dollars for Visitors to Canada

Mr. St-Laurent opened the discussion on this item by saying Canada had in mind the indirect and intangible benefits to be derived from an increase in visits of the people from the U.K. to Canada. Increased personal contacts could not fail to enhance the friendly feelings and relations of our two nations.

Mr. Howe added that we were not thinking of this item as a matter of trade, but it seemed odd to find the U.K. permitting the expenditure of $200 million for travel to the Continent while restricting the expenditure for travel in dollar countries to $14 million.

Mr. Macmillan gave a brief review of the categories of people who were eligible for travel allowances to North America and said that the Chancellor of the Exchequer would keep this subject under review and give it a high priority. Fares across the Atlantic were pretty high and relatively few people could afford to go. At this moment the danger of a sudden increase of expenditure under a more relaxed travel allowance system would not be great because already the trans-Atlantic travel facilities were heavily booked for this summer. However it would not be right to take this step of relaxation just after having made emergency financial arrangements with the U.S. in regard to their loan.

COMMUNIQUÉ

At this time a draft communiqué was discussed, amended in a number of particulars and then approved for issue to the press.[78] (It had been decided that the Prime Ministers and their colleagues would meet the press jointly at 6.30 that evening.)

CYPRUS

(A brief discussion on this subject had taken place, in the absence of the Prime Ministers, at the end of the morning session.)

Mr. Macmilian commenced this subject by saying his government were now worried about its real value in a defence programme such as he had described. He gave a brief history of the Cyprus problem, emphasizing that there were two aspects to it — the international and the internal. The international aspect was currently in the hands of Lord Ismay who was trying to see what could be done through NATO conciliation. Turkey and the U.K. had agreed to this approach; Greece had not but now might be reconsidering it. He thought that as far as the internal situation was concerned, the Radcliffe Report had provided a good basis for settlement. The terrorist campaign was reaching exhaustion. Makarios was known to be the chief inspirer and supporter of the terrorist campaign and if he said to stop, it would. They had made him an offer, but the U.K. had not really decided what to do when they received his reply which was likely to be in the form of a counter-proposal.

On the longer-term issue, *Mr. Macmillan* thought that unless it was of great value to be U.K. for the purpose of their participation in the Baghdad Pact or NATO, it was his view that some way should be found to extricate the U.K. from the island. The Cypriots derived two advantages from the present arrangements: they were British subjects, free to enter the U.K. at will, and they enjoyed a relatively high standard of living on Cyprus by comparison with those on the Greek Islands. It was possible that when they became self-governing, the Cypriots might decide to retain this high standard of living which their connection with the U.K. made possible, rather than to ally themselves through Enosis with Greece.

Mr. Macmillan said that there had been some willingness on the Turkish side to accept partition as a solution. He thought that it was an advance that NATO was moving into the picture and that the terrorist campaign was slowing down. As a result, he thought there might be a time in the next few months when a more constructive approach of some form might be possible. He observed that up to now it had been the view of his military advisers that full administrative control of the island was an absolute necessity for their purposes. By now this opinion had been modified and probably an airbase under British control would be sufficient.

Mr. Pearson said that it would be a great advantage if the U.K.'s own interest led it to a solution that would be acceptable to the others involved. Cyprus in the present circumstances had been seized upon by those who wished to be mischievous as a stick with which the beat the U.K.

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[78] Voir Canada, ministère des Affaires extérieures, *Affaires Extérieures*, vol. 9, N° 4, avril 1957, pp. 131-132.
See Canada, Department of External Affairs, *External Affairs*, Vol. 9, No. 4, April 1957, pp. 131-132.

Mr. Lloyd observed that the Turks are the substance of the Western strength in that area, and it was necessary to find an answer to the Cyprus problem that would not weaken the very favourable Turkish orientation towards the West.

Mr. Macmillan said that partition was not an impossible solution. *Mr. Pearson* said that a recent discussion with Averoff made him feel the Greeks were quite worried about partition.

Mr. Macmillan concluded the discussion by saying that they would keep Canada in touch with their thinking on the Cyprus problem.

KASHMIR

Mr. Lloyd opened by remarking that what the Indians were saying about the U.K. in connection with Kashmir was not true. Over the last few months, the U.K. had tried very hard to hold the Pakistanis back rather than to encourage them in their attempts in the Security Council to force a solution to this dispute.

Mr. St-Laurent observed that he thought that the Indians did not really believe that the U.K. had espoused the Pakistani cause in the dispute, but they would rather discuss that than the merits of their case.

Mr. Macmillan said that a quarrel with India would be a very grave and disturbing eventuality. Much was at stake as far as the British were concerned. They had considerable investments in India and enjoyed much friendship with its people. If Nehru in anger or folly tried to turn India away from the West it would be tragic and dangerous for us. On the other hand Pakistan was vital to the Northern Tier alliance and to SEATO. The U.K. were faced with a very difficult situation by this quarrel over Kashmir. If at all possible, he would like Canada to take advantage of any opportunities which might arise to see what could be done to develop a solution to the Kashmir issue. He wondered if, on the one hand, the Pakistanis would give up their sentimental claim to the Vale, India would, on the other hand, agree to help Pakistan on the river question and possibly give them a territorial concession in the Punjab.

Mr. Lloyd suggested that the logical solution would be for Pakistan to keep what it has, for India to keep Jammu and for both countries to have a condominium over the Vale for a 10 year period. He did not think, however, that a logical solution such as this would now be acceptable to either side.

Mr. Pearson said that the Indian view was that any solution which would disturb the status quo would give rise to serious communal strife throughout the sub-continent.

Mr. St-Laurent added that Mr. Nehru used much the same argument three years ago, when speaking to him on Kashmir, and had been quite forthright in telling him that Westerners had no real understanding of the Eastern mentality on this delicate issue.[79]

Mr. Lloyd observed that a plebiscite in the Vale would amount to a vote on the Koran and that the danger of a spread of communal strife would be very real. *Mr. Pearson* thought this argument on communal strife could not be dismissed. It was his impression that it suits the book of some Pakistan political leaders to keep the Kashmir issue alive for domestic reasons.

Mr. Macmillan said that there were two problems: first, whether it was possible to find a solution; and second, how Western nations should proceed in the U.N. so as not to exacerbate the situation. He felt that the Pakistanis would not be satisfied until they got the matter into the General Assembly for discussion. *Mr. Pearson* understood the Soviet

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[79] Voir/See Volume 20, Document 438.

Union had abstained in the crucial vote in the Security Council so as to keep the dispute out of the General Assembly because it seemed most likely that if it were to go to the Assembly, the Afro-Asian group would have split on religious lines.

Mr. Pearson said that he had hoped that after the Indian elections the problem might become a bit easier of solution but just a few days ago Mr. Nehru had made a violent speech on the subject.

Mr. Macmillan wondered what line the U.K. should take when the Security Council again discussed the dispute. *Mr. Lloyd* thought that there really ought to be a plebiscite at some stage. *Mr. St-Laurent* observed that he was not sure that the Indians really wanted to maintain a source of friction between India and Pakistan. On the other hand, he believed that Nehru wanted Kashmir in India and will discuss every side issue rather than the merits of holding a plebiscite, which would be sure to go against him.

Mr. Lloyd asked if Canada would use its influence with the Indians to assure them that the U.K. had not put up Pakistan to go to the Security Council. *Mr. Pearson* reported that Canadians have already tried to do just that. He thought that in time the Indian suspicion of U.K. action in this regard would disappear.

In continuing the discussion, *Mr. Pearson* remarked that the new Pakistani Prime Minister was an astute politician and that he could make the Indians very uncomfortable over the issue of self-government for Kashmir. *Sir Saville Garner* thought that Suhrawardy is more likely than any of his predecessors to be the sort of man with whom Nehru could in due course make a deal.

There was a brief discussion upon the nature of the relationship between the conduct of the Kashmir dispute in the Security Council and the Indians' helpful initiative on the final resolution on Cyprus in the last Assembly.

Mr. St-Laurent said that with regard to Mr. Lloyd's request, Canadians could talk with Nehru about the apparent Indian views of the U.K.'s part in the matter but could not talk to him about the merits of the Kashmir issue.

At the conclusion of the meeting, *Mr. St-Laurent* expressed appreciation for the hospitality and convenient arrangements provided to the Canadians who had come to Bermuda for the meetings, and *Mr. Macmillan* said that he and the others from the U.K. were grateful to Mr. St-Laurent and his colleagues for coming to Bermuda for these discussions.

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736. DEA/50219-AM-40

Conférence aux Bermudes

Bermuda Conference

TOP SECRET March 26, 1957

THE FOURTH ATOMIC POWER PROBLEM

Sir Richard Powell, Mr. Strath and Mr. Dean had a further discussion this morning with Mr. Bryce, Mr. Léger and Mr. Crean.

2. The United Kingdom Representatives described the approach which the French Minister of Defence had made to Mr. Sandys and the discussion which they had had with Admiral Strauss and other members of the United States Delegation. It was clear from this that while the gravity of the problem was fully recognised, neither the United States nor the United Kingdom had at present any firm idea how it might be solved or indeed whether it was capable of being solved at all.

3. The United States did not wish to give any active assistance to Fourth countries so long as there was any hope of an effectively controlled disarmament agreement. They were not, however, prepared at this stage at least, to use sanctions such as denial of access to supplies of nuclear material for civil purposes, in order to induce Fourth countries to abandon any plans they might have for making nuclear weapons. Nor did it appear that they yet had any firm policy for supplying such countries with nuclear weapons produced in the United States.

4. The Canadian Representatives explained the difficulties in which they might find themselves in dealing with requests from Fourth countries for supplies of uranium. They already had an immediate problem in relation to France.

5. It was agreed that the Canadian and United Kingdom Governments should keep each other informed of developments in this matter, on which it was obviously desirable that there should be a community of view.

6. The Canadian representatives indicated their intentions to discuss the Fourth Power atomic problem with the U.S.

7. The United Kingdom Representatives agreed to explore further the feasibility of exercising some measure of control over the problem through W.E.U., but doubted whether this would be acceptable to the United States.

SECTION D

DÉCOLONISATION DU GHANA ET DE L'AFRIQUE
GHANA AND AFRICAN DECOLONIZATION

737. DEA/12354-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], December 9, 1955

CANADIAN RELATIONS WITH AN AWAKENING AFRICA

We have been giving some thought to the implications for Canada of recent and future developments in the continent of Africa. While it would be premature to say that we have reached any conclusions, you may wish to know of the lines along which we have been thinking.

The decision to study these African problems has been hastened by the following events:

(1) the publicly announced undertaking of the United Kingdom Government to grant independence to the Gold Coast by the end of 1956 and subsequently to Nigeria (1958) and the Federation of Rhodesia and Nyasaland (1960-62). The Under-Secretary of State for Commonwealth Relations told me when he was here in October that it was the intention of the present United Kingdom Government, during the life of the existing parliament, to grant independence to these three African territories (and also to the Federation of Malaya and the British Caribbean Federation). Although the timetable for its independence may be set back by the growth of separatism in the North, there is little doubt that the question of

the Gold Coast, at least, will be raised at the Prime Ministers' Meeting in June and that the Prime Minister may be asked to define the Canadian position;

(2) the declining influence of the United Kingdom and the dangerous possibility that the U.S.S.R. may increase its influence in north-east Africa and the Middle East. The withdrawal of the British from the Canal Zone and from the Anglo-Egyptian Sudan has created a power vacuum similar to that created when the British withdrew from the North West Frontier of what was then India in 1947. Indications are that the U.S.S.R. may be able, for various reasons, to take swifter advantage of this withdrawal than they were of the earlier one;

(3) the growing strength of the anti-colonial powers in the United Nations, recently increased by the addition of six new anti-colonial members, when the proposal for the admission of new members secured acceptance. While many of these powers have shown an inclination in the current General Assembly to be more responsible than in the past, and some (e.g. Iraq and Pakistan) have been markedly anti-Soviet, nevertheless the opportunities which their growing strength gives to the U.S.S.R., at little or no cost to itself, to propagandize, meddle and generally make trouble in the African area, are considerable;

(4) the emergence of new independent African nations in the British territories may make things difficult for the French, Portuguese and Belgians. We wonder whether the speed at which the United Kingdom proposes to proceed with political emancipation, particularly in West Africa, may not inspire nationalist agitation in territories where the French, Belgians and Portuguese have attempted to impose a political "quarantine" until such time as there is a solid economic and social base for political participation by the native population. In addition to the possible immediate consequences of a lack of co-ordination at the policy level in the dependent territories concerned, the differences in timing and methods of the four colonial powers could cause serious frictions among the administering powers and their allies;[80]

(5) finally, the necessity for the West to put forward some imaginative plan of aid and welfare for an emergent Africa, which may have the effect both of holding the line against Communism in Africa and removing from the West the taint of colonialism. While Canada should probably not take the lead in putting forward any such plan, our views would be listened to with interest because we have no axe to grind. At the same time admission of Nigeria and the Federation of Rhodesia and Nyasaland to Commonwealth membership gives us practical reasons for expressing an interest in the wider problem of economic aid and technical assistance to the African continent as a whole.

Two problems are involved: the specific question of our relations with the Gold Coast and West Africa, and the more general question of the programme of aid for Africa.

Gold Coast

We think that consideration should be given to the establishment, not later than the fiscal year 1957-8, of a Canadian mission accredited to the Gold Coast. This accreditation might later be extended to include the Federation of Nigeria. Our reasons for making this suggestion are as follows:

(1) the colony may very likely be independent by the end of 1956, or at the latest by mid-1957, and its application for membership in the Commonwealth will then be sponsored by the United Kingdom. Presumably we would not wish to oppose it. South Africa, the only Commonwealth member likely to oppose it, has recently indicated (elliptically) that it is

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[80] Ce paragraphe a été inséré dans la note le 1er février 1956.
This paragraph was inserted into the memorandum on February 1, 1956.

prepared to consider the possibility of co-existence with "black" nations on the African continent (Mr. Strijdom's speech of August 1955);

(2) establishment in the area is strongly recommended by our High Commissioner to the Union of South Africa, who visited the Gold Coast and Nigeria in the summer of 1955 and learned at first-hand of their development;

(3) the British are concerned lest, when they depart, Indian influence (represented by the very able Indian Commissioner in Accra, Raja Rameshwar Rao, formerly Commissioner in East Africa) may become paramount. They fear that unless members of the "old" Commonwealth publicly show their confidence in the newest member, it may be attracted to neutralism. We may not share the concern of the British, but what is perhaps more important from our point of view is the possibility that Soviet may supersede British influence in the area of West Africa;

(4) the symbolic importance of the Gold Coast as the first all-African negro independent nation to emerge from colonial status will not be lost on the rest of Africa, nor on the anti-colonial nations or the Soviet Union. The experiment will be watched with care and we should not appear reluctant to accord the Gold Coast recognition and to establish relations with it;

(5) a mission in Accra could probably do something to promote trade in the West African area in general. The Gold Coast is high on the Trade and Commerce priority list, though they have told us informally that they first wish to undertake a thorough economic survey;

(6) the Governor of the Gold Coast believes that when self government comes there will be "a rush" to establish diplomatic missions there. India and the United States already have missions doing information and political work, and several other countries have trade offices. The Italians and Germans have applied for permission to establish diplomatic relations;

(7) when the Volta River multi-purpose project (in which the Aluminum Company of Canada is a participant) gets under way in 1958, or early in 1959, it would be useful to have a Canadian representative in the Gold Coast to guide the inevitable publicity into favourable channels and also to handle the consular work attendant upon the influx of an expected 500 Canadian technicians and their families.

Against this it might be argued that with our limited resources in personnel and money, we ought to go slow in West Africa and concentrate in areas more seriously menaced by Communism, such as South East Asia, where we also have considerable experience. Africa, except Egypt and French North Africa, stands perhaps lower on our priority list.

On the other hand, there are undoubted advantages in establishing relations with British West Africa. We show Africans and anti-colonial powers that we have confidence in the Africans' ability to govern themselves and to fulfil the conditions for membership laid down in the United Nations Charter. We also proclaim to the same group of people that we are free from prejudice by accepting Africans as full and equal members of the Commonwealth as and when they become independent and their membership is sponsored by the United Kingdom. We also provide ourselves with a listening post and opportunities for gathering first-hand information in an area of increasing importance, and one which may be used to counter both Communist propaganda and the anti-colonial nations; an area where Canadian representation is non-existent.

We cannot, of course, assume that because we greet emergent African colonies as equals and proffer them technical assistance or capital aid they will necessarily stay with the Commonwealth, or with the West. It may be, so strong is the force of nationalism in Africa and Asia, that Europeans (including Canadians) operate at a disadvantage as friends of former colonial powers. The U.S.S.R., as the under-developed country that developed itself and as the country whose colonialism, though existent, was decently cloaked behind the mountains of central Asia, may have the last word. Nevertheless, to do too little may be to ensure that the U.S.S.R. will have the last word.

Aid to Africa

We now come to the wider question of aid and welfare for emergent Africa generally. Perhaps the most effective immediate form which such aid might take is technical assistance, though capital aid will be required on an increasing scale, particularly after the achievement of independence by some of these areas. While there may be some attractiveness in emphasizing the role which the Commonwealth can play in helping its potential future members in this part of the world, it is perhaps unwise to suggest that an aid programme should be limited to either Commonwealth donors or potential Commonwealth recipients. The co-operation of non-Commonwealth colonial powers in Africa must be secured if the full benefit is to be obtained from external economic aid to this region. Moreover the need for a reasonably balanced economic development throughout the entire area is a principle that should be recognized at the outset of any attempt to promote greater economic and political stability in the regions in which we are particularly interested. Serious consideration must also be given to North Africa as well as the underdeveloped areas of the rest of the continent with which this memorandum is chiefly concerned.

If we assume that there would be benefits in enlarging participation in an aid programme beyond the Commonwealth, we must then determine whether it would be prudent to seek to develop a programme similar to the Colombo Plan which includes both Commonwealth and non-Commonwealth countries (as donors and as recipients). Such an approach could exclude the U.S.S.R. from participation in this particular programme but it is too much to hope that such exclusion will keep the U.S.S.R. out of mischief in these countries through other channels. A more likely development would be the initiation of an "aid race", in which perhaps the U.S.S.R. is already away and running with their offer of economic aid to Egypt. The success of a programme of the Colombo Plan type depends on the willingness of the donor countries to make substantial resources available. We must ask ourselves whether the threat in Africa is sufficiently compelling or recognized to prompt most Western countries, including Canada, to contemplate contributions on an effective scale, given the uncertainty about other demands which may be made on our resources.

An aid programme involving many of the Colonial Powers might be less suspect and perhaps more readily effective if it were sponsored at this stage by the *United Nations*. While we should not overemphasize the impermeability of the United Nations umbrella, there is much to commend providing assistance through the United Nations and its related institutions, particularly during the transitional stage when many of these areas will be preparing for autonomy. There are a number of existing United Nations resources which can be profitably employed to help the underdeveloped areas of Africa. The technical assistance programmes of the *United Nations* and the *Specialized Agencies* could do much more than they are at present if the Colonial Powers would make fuller use of their facilities. For its part, Canada could make a particular effort when asked by the United Nations or its agencies to find experts or to provide training places for dependent territories in Africa. Although we cannot earmark our financial contribution for use in particular areas, we might give consideration to increasing our *participation to UNTAB* by say, $200,000 a year, stressing that this increase was prompted particularly by the needs of Africa (to which we would hope that a large part of these funds as well as a portion of our basic contribution would be devoted). Through close co-operation with the United Nations technical assistance authorities it should be possible to organize requests and deal with them in such a way that there would be prior agreement on particular experts for these countries and that most of these would tend to be selected from Canada or other Commonwealth countries. This would also mean that Iron Curtain personnel would not be likely to participate to any extent, if at all.

The *International Bank* provides an existing source for capital assistance and a number of loans have already been made to United Kingdom or other Colonial territories. The *International Finance Corporation* will soon come into operation and provide a further source for external capital assistance.

We should not lose sight of the increasing pressure in the United Nations to create a special fund for economic development. These pressures may prove to be irresistible. In fact, Canada has agreed to participate in the work of an ad hoc committee to examine further the practicability of establishing a *SUNFED*. When we determine our position with respect to SUNFED, which it may not be possible to delay more than a year or two, it will be worth remembering that this type of fund could constitute a useful source for capital assistance to the territories of Africa, particularly after they have achieved autonomy. A SUNFED, of course, would be under very strong lobbying pressures and since we cannot earmark our own contribution it might be difficult to ensure that funds were not granted to states less worthy or needy than the African territories. If we take an active part in the preparation of the arrangements and criteria for SUNFED and in its operation, we may be able to help ensure that projects in Africa receive sympathetic consideration. The creation of a SUNFED might also make it more difficult for the U.S.S.R. to carry out unilateral aid programmes since they would be under some compulsion to use the mechanism of a SUNFED which has been promoted in the United Nations by many of the countries which the U.S.S.R. is interested in wooing.

If it should not prove possible or desirable for an effective SUNFED to come into existence, a *Colombo Plan type of programme* may prove desirable and feasible at a later stage. However, it is impossible to forecast at this time the other demands which may be made on Canadian resources in several years' time when most of these territories will have achieved statehood. It is to be hoped that funds on an appreciable scale will be available to enabie aid from Canada and other developed countries to be effectively mustered to help these new countries in their early and crucial stage of development. While we must keep these objectives in mind, we can perhaps avoid the unnecessary risk of creating false hopes among the peoples of Africa if, at this time, we stress that the fullest use should be made of facilities and resources which now exist under the United Nations and which, with modest increases, would appear to be fairly adequate for the immediate needs of the African territories during the next few years.

We have, finally, to consider the general question: "How high should Af.ica (apart from its Commonwealth associations and our possible commitments to the British) rank on our list of priorities?" On humanitarian grounds and in terms of the resources which are available to be developed and their potential contribution to the world's economy, aid to Africa should rank at least as high as any other region. However, in so far as we may have an interest in allocating technical and financial aid to underdeveloped countries in such a manner as to prevent them from being infiltrated by the Communists, and to counteract any bad tastes left by the colonial era, Africa may not have as high a priority as Southeast Asia and the Middle East. The relevant priorities of all of these areas will have to be weighed very carefully as we plan our aid programme and we should not lose sight of the fact that factors which affect it are constantly changing to at least a partial degree. An aid system related to the broad base of the United Nations permits the respective priorities of areas to be continually re-examined.

Obviously a good deal of consultation between interested countries, particularly potential donors, will be required if we are to take positive steps to provide more aid to Africa. In addition to participating in the general discussions on this question in ECOSOC and in the United Nations we should perhaps be ready to engage in informal but frank discussions with other Western countries. Because of the implications of the Afro-Asian Conference at Bandung and because of our desire to maintain a high degree of co-operation with the Asian countries we might also wish to discuss this question at an early stage with some of the more important Asian Colombo Plan countries. India is known as an active mischief-maker in Africa, but it may be a reasonable risk to assume that if she were associated with these discussions she might be less mischievous and more co-operative than if she were excluded.

CONCLUSIONS

Gold Coast

Consideration should be given to the establishment, not later than the fiscal year 1957-8, of a Canadian mission accredited to the Gold Coast, a dual accreditation to Nigeria possibly being arranged later. In reaching a final decision, the position occupied by Africa in any system of priorities involving our limited resources in personnel and money, and the potential threat to the area of Communism should be taken into consideration.

Aid to Africa

The least suspect and most readily effective form of aid would appear to be that sponsored by the United Nations and the Specialized Agencies. Although we cannot earmark our contribution for use in particular areas, we might give consideration to increasing our participation in UNTAB. There are also possibilities in SUNFED, despite the strong lobbying pressures to which it would be subject when and if created. If SUNFED does not come into existence, a Colombo Plan type of programme might prove desirable and feasible at a later stage.

With the possible establishment in West Africa, we should consider how high Africa might rank on our list of priorities and weigh its qualifications carefully against those of Southeast Asia and the Middle East.

J. L[ÉGER]

738.

DEA/50085-F-1-40

Extrait du livre des instructions pour la réunion des premiers ministres du Commonwealth

Extract from Briefing Book for the Meeting of Commonwealth Prime Ministers

CONFIDENTIAL

[Ottawa], June 6, 1956

ADMISSION TO COMMONWEALTH MEMBERSHIP: GOLD COAST (GHANA)

The prospect of independence for the Gold Coast in the near future raises again the question whether some procedure should be adopted for admission of new members to the Commonwealth, instead of their attainment of self-government making them *ipso facto* members, as has been the case in the past. The attainment of independence by the Gold

Coast will provide a test case, as it will be the first African-governed state to become eligible for Commonwealth membership, and its treatment will set a precedent for that of other African states as they emerge.

2. In the past no exception has ever been taken to a new member. The only possible ground for other members refusing to accept it would have been that it had not in fact been granted full self-government. The Canadian Government at first hesitated over Ceylon, owing to doubts as to the effect on its independence of the agreement on bases and external affairs which it would be expected to sign; but these doubts were resolved on further study of the agreement, and no objection was raised.

3. A general election will be held in the Gold Coast on July 17, 1956, to determine whether Prime Minister Nkrumah's constitutional proposals have the support of the electorate. The United Kingdom Government has announced that it would accept a motion calling for independence within the Commonwealth, passed by a "reasonable majority" in the new Legislature, and then would be prepared to declare a firm date for the attainment of this purpose. This timetable makes Gold Coast independence early in 1957 (under a new name, "Ghana") a realistic prospect.

4. In announcing these plans, the Secretary of State for the Colonies made explicit reference to the supposed basic principle that, while the granting and timing of independence is the responsibility of the United Kingdom, admission to full membership in the Commonwealth requires the consent of all the existing members. This alleged principle is a new thing in Commonwealth procedure which has never been tested, though at the time of the admission of India and Pakistan Canada was disposed to feel that some means should be devised to get the consent of all members. The dilemma is that, if any criterion for membership other than the attainment of self-government is imposed, either the other members would have to say to the United Kingdom: "You must continue to govern this dependency instead of liberating it as you wish to do", or they must advocate the creation of a limbo within the Commonwealth, to which states would be consigned which the present members do not wish to associate with — a limbo consisting of independent states which are within the Commonwealth but not members of it. It is difficult to believe that any self-respecting state would remain within the Commonwealth on such terms.

5. Preliminary consideration of the whole problem at the forthcoming Prime Ministers' Meeting seems desirable.

6. No specific procedure for admission of the Gold Coast has been proposed. However, the United Kingdom Government is publicly committed to supporting its claim to membership, and is plainly intent on securing agreement to admitting the Gold Coast simultaneously with the achievement of independence. To this end, Canada, Australia and New Zealand have been kept fully informed, on a private basis, about constitutional developments in the colony. It has been felt that undue emphasis on, or publicity about, the transition to independence and full Commonwealth membership would intensify South African opposition to admission of the Gold Coast. The position of the Union, however, has become less intransigent in recent months. Prime Minister Strijdom and the Minister of External Affairs, Mr. Eric Louw, have both made public professions of their Government's desire to have friendly relations with non-European governments in Africa; and there is now hope that the Union will assume an attitude of at least tacit acceptance of the claim of an independent Gold Coast to membership in the Commonwealth. The views of Australia, New Zealand and Asian members are not expected to conflict with those of the United Kingdom.

7. It thus appears that Canada should not oppose entry of the Gold Coast to full Commonwealth membership. Failure to admit the new state might be interpreted as the erection of a "colour bar". This would tend to disrupt the Commonwealth and impair its moral stature, and would reduce its effectiveness as a bridge between East and West. On the positive side, the influence of other Commonwealth Governments within the Commonwealth framework could be important in helping to steady the new African nation and guide its government in its novel responsibility for the country's external relations.

8. Canada perhaps has a special opportunity and obligation in this respect, since it is less clearly associated than some other Commonwealth countries with racial attitudes which appear reprehensible in African eyes. It might prove to be appropriate and desirable for us to take the initiative in supporting United Kingdom sponsorship of the Gold Coast for full Commonwealth membership if the matter is discussed in London. At the same time, we should be careful to reserve our right to consider each succeeding case on its merits as it arises.[81]

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739. DEA/10283-A-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM K-1036 Ottawa, July 20, 1956

SECRET. IMPORTANT.

MEMBERSHIP OF GOLD COAST IN COMMONWEALTH

The Prime Minister received the following letter from Sir Anthony Eden before leaving London, Begins:

"As you know, there will be a general election in the Gold Coast during the present month. If the present Prime Minister of the Gold Coast, Dr. Nkrumah, is returned, we know that he will introduce a motion calling for full self-government within the Commonwealth. The United Kingdom Government are committed to give effect to such a motion if it is passed by a reasonable majority. The main opposition party favour the calling of a conference to frame a new constitution, if they obtain a parliamentary majority in the forthcoming election, but they intend that this conference should report before the end of 1956; and their intention is that thereafter the United Kingdom Parliament should be asked to grant self-government within the Commonwealth. It is known that Dr. Nkrumah would like to see full self-government by March 1957; the opposition will not wish it to be more than a few months later.

"It seems practically certain therefore that before another of our meetings can take place the Gold Coast will have achieved full self-government, and the question of membership of the Commonwealth will need to be decided; delay in returning a definite answer on the latter point would arouse speculation and suspicion in the Gold Coast, and I am sure we ought to avoid this if possible.

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[81] Il n'a pas été question du Ghana lors de la réunion des premiers ministres.
Ghana was not discussed at the prime ministers' meeting.

"On the other hand there are objections to making any reference in the final communiqué which will be issued after our present meetings to any discussion of Gold Coast affairs. However vague the reference may be, it could be regarded as an attempt to influence the forthcoming elections in the Gold Coast. If, however, we are to be faced before our next meeting with the question of Commonwealth membership for the Gold Coast, then it will be very convenient if something could be placed on record now as to the views of existing members.

"My colleagues and I in the United Kingdom Government are convinced that the Gold Coast should on attaining full self-government be admitted to Commonwealth membership. I trust that you will share this view.

"I am therefore writing to you, and concurrently in similar terms to the other prime ministers of member countries, in the hope that in reply to this letter you will be able to record your agreement in principle to acceptance of an application for Commonwealth membership from the Gold Coast on the assumption that self-government is reached. In that event and assuming that the other prime ministers also agree to what is proposed, I should hope it would only be necessary for me to send you and them a message by telegram when the question of membership had been raised and had become actual. This would invite formal concurrence to inform the Gold Coast Government that, with the coming into effect of full self-government, the Gold Coast would also be accepted as a member of the Commonwealth." Letter ends.

2. The Prime Minister proposes to ask Cabinet to approve the following reply to the letter but before doing so would be glad to have your views. It would be helpful also to show the proposed reply informally to the C.R.O. in case they wish to make any comments. We expect to clear the reply next week and forward it immediately. Letter begins:

"I am grateful to you for your letter of July 3rd and welcome this report of the progress which is being made toward full self government in the Gold Coast. I thank you also for sending me a copy of the letter to you of July 5th from the Prime Minister of the Union of South Africa and of your answer of July 11th.

"I have discussed with my colleagues here the conditions you specify and the further steps you propose in your letter to me and they find them satisfactory. Of course, it is difficult to give specific commitments in regard to a situation which is unlikely to occur for some time but I feel quite certain that, when I receive your message that the appropriate stage has been reached for a formal decision about the admission of the Gold Coast to Commonwealth membership, the Government of Canada will be prepared to agree." Letter ends.

L.B. PEARSON

740. DEA/10283-A-40

Note du secrétaire d'État aux Affaires extérieures
pour le premier ministre

Memorandum from Secretary of State for External Affairs
to Prime Minister

SECRET Ottawa, July 25, 1956

MEMBERSHIP OF THE GOLD COAST IN THE COMMONWEALTH

Mr. Robertson has now had a chance to examine the draft of your letter to Sir Anthony Eden on this subject, and has also discussed it with the Commonwealth Relations Office.

The only change suggested is one that arises out of the fact that the Gold Coast has now had its general elections with a result which indicates that independence will soon be granted and membership in the Commonwealth soon requested. Therefore, the phrase "a situation which is unlikely to occur for some time" may not be accurate, and the final sentence of the reply might be altered to read, "Of course, it is difficult to give specific commitments in regard to a situation in advance of its occurring, but I feel quite certain etc."

The Commonwealth Relations Office indicated that a reply in the terms of your draft would be helpful and that all the Prime Ministers' replies except that of the South African, which you have seen, were along the general lines of our draft.[82]

L.B. PEARSON

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[82] Le Cabinet a approuvé la version modifiée de la réponse de M. Saint-Laurent à M. Eden, qui a été envoyée à Londres le 26 juillet 1956.
The amended version of St. Laurent's reply to Eden was approved by Cabinet and sent to London on July 26, 1956.

741. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], January 31, 1957

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Health and Welfare and
Acting Secretary of State for External Affairs (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Minister of Justice (Mr. Garson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Registrar of the Cabinet (Mr. Halliday).

. . .

GOLD COAST; COMMONWEALTH MEMBERSHIP
(PREVIOUS REFERENCE JAN 17)

3. *The Prime Minister* said he had been informed by the Prime Minister of the United Kingdom that the bill providing for full self-government for the Gold Coast had now passed the U.K. House of Commons and had received second reading in the House of Lords. It would probably be given royal assent in a few days' time. Meanwhile, the Prime Minister of the Gold Coast had asked that his country be recognized as a member of the Commonwealth. In the circumstances, the time had arrived for Canada to indicate her agreement to this step.

4. *The Cabinet* noted the report of the Prime Minister on the status of the Gold Coast and agreed that he inform the Prime Minister of the United Kingdom that the Government of Canada concurred in the acceptance of the Gold Coast as a member of the Commonwealth of Nations upon the attainment of full self-government, now planned for March 6th.

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742. L.S.L./Vol. 182

Rapport du ministre des Mines et des Relevés techniques et l'envoyé spécial du Canada aux célébrations de l'indépendance du Ghana pour le premier ministre

Report from Minister of Mines and Technical Surveys and Canada's Special Envoy to the Ghana Independence Celebrations to Prime Minister

Ottawa, March 28, 1957

Dear Mr. Prime Minister:

May I, on behalf of Mrs. Prudham, my daughter Catherine, members of my staff and myself, thank you for giving us the privilege of representing Canada at the ceremonies inaugurating the new State of Ghana, formerly the Gold Coast.

It was a voyage of discovery for us all, marked by a great deal of colourful pageantry, especially during the official ceremonies.

We arrived at Accra on Saturday, March 2nd, after having spent three days enroute, including a one night stopover in the Azores and one night in Dakar, French West Africa.

The morning we left Ottawa it was 5° below zero at Uplands and when we arrived in Accra it was nearly 90° above, and there was little variation in temperature during our visit in Ghana. In the daytime it was usually 90° above and at nights 80° above, with 80 to 85 percent humidity throughout.

As is usual, local residents apologized for the climate, stating that it was unusually hot.

Our hosts, the Government and people of Ghana, were most hospitable. Our official party was lodged in Government-owned bungalows and our aircrew, numbering fourteen, were billeted with the military.

Two representatives of the C.B.C. and four newspapermen, Pierre Chalout of *Le Droit*, J. McCook of *The Ottawa Journal*, R. Taylor of the *Toronto Star* and A. Holland of the *Toronto Telegram*, were lodged at the University in Legon suburb.

Four new cars were assigned to the official party, and the newsmen as well as the aircrew were also provided with transportation. With each car there was a university student acting as an aide, as well as a uniformed chauffeur.

Dr. O. Ault, of the Civil Service Commission of Canada, and Mrs. Ault, who preceded us to Ghana by four or five weeks, were most helpful in assisting us to adjust ourselves to the tropical way of life and in meeting people of significance.

Dr. Ault, as you probably know, has been conducting a survey of the Gold Coast for the United Nations, related to the Africanization of the Civil Service. Dr. Ault and his wife are a very cosmopolitan couple and seem to inspire confidence wherever they go. One evening during our stay in Ghana, they were guests of a civilian family, sharing their hospitality and native food, even though Dr. Ault was suffering at the time from a characteristic tropical ailment.

On our first day in Ghana we travelled to the site of the proposed Volta River power development. We were guests of Dr. and Mrs. Grimes-Graeme. Dr. Grimes-Graeme represents the Aluminum Company of Canada in that country. We also had as travelling companions Sir Robert Jackson, Chairman of the Volta River Project Preparatory Commission, and Mr. Peter Scott, a representative of Sir William Holcrow and Partners, a firm of Consulting Engineers connected with the proposed undertaking.

At the present time the economy of Ghana is based largely on the production of cocoa, which has been subject to rather violent price fluctuations in recent months. The Government and the people of Ghana look upon the Volta River Project as the main hope for industrializing and developing their economy. As the Prime Minister himself has said, "No man can stand for long on one leg. It is not wise for this country to continue to rely on a 'one-crop' economy".

After our visit to the dam site, and having talked with the men concerned, I am convinced that the estimate they have made of the cost of the project is a realistic one, including a wide range of contingencies. I have a bulky report of the Preparatory Commission's findings in my office. I understand that the present estimated cost in $630,000,000.00. This figure is considerably higher than the original estimate which constituted the initial basis of negotiations involving the Aluminum Company of Canada, the British aluminum interests, the Government of the United Kingdom and the Government of Ghana.

Everyone with whom we discussed the matter, seemed satisfied that the Volta River Project would be self-sustaining and self-liquidating. At present one bauxite deposit is being developed in a limited way for export. There is another bauxite deposit located near the proposed dam site. In addition to this construction of a dam and smelter, a railway line is required in order to transport the bauxite to the source of electric power.

One of the important benefits of the Volta River Project could be the irrigation of the Accra plain. At the present time this area is semi-arid, with very little forest cover. The irrigation of this plain would make possible the development of scientific agriculture, including the large-scale cultivation of tropical fruits, such as bananas, grapefruit, pineapples and oranges. Coffee and rubber can also be produced in the area.

Undoubtedly the project would result in increased employment in the country, as well as an increase in its exports. An incidental but important effect would be the reduction of the tropical scourge called "river blindness" by limiting the amount of swiftly moving water in which the disease-bearing organisms thrive. Whole communities adjacent to the rivers are affected with blindness caused by a parasite that thrives in fast running water.

The Volta River dam, when constructed, would submerge 2,310 square miles, of which only 75 square miles has heretofore been under cultivation of any kind. It is anticipated that the project, including the earth fill type of dam, would require seven or eight years to complete and would ultimately produce 600,000 kilowatts of power.

A Government pamphlet also states that the new lake created by the dam would extend some 300 miles and would produce more fish than is presently harvested along the coastline of Ghana.

As a prerequisite of this development, the Government of Ghana is constructing a new harbour and port facilities at Tema, about fifteen miles from Accra. This port area is presently served by a new railway line which eventually will be extended to the site of the proposed aluminum plant and power development.

During our visit to Ghana I had opportunities to meet many Government people. I must say that I was very much impressed by the ability, sincerity and apparent good judgment of the Prime Minister of Ghana, Dr. Kwame Nkrumah. He was called upon many times during the Independence festivities for speeches and on any occasion that I heard him, his remarks were most appropriate and moderate.

Dr. Nkrumah's senior Cabinet Ministers, the Minister of Finance, Mr. Gbedmah; the Minister of Trades and Labour, Mr. Botsio; and the Minister of Communications, Mr. Casely-Hayford, played important roles in the various events of the Independence celebrations. Mr. Gbedmah, who is a rival of Mr. Botsio for second position in the Government, impressed me as having a good deal of ability and from what I could gather in conversations with him, he has good judgment.

Although the Prime Minister, the Minister of Finance and the Minister of Trades and Labour, all experienced imprisonment by the British during the agitation leading to the granting of self-government, these men do not seem to harbour any resentment or rancor against the British. They regard themselves as crusaders, but see their crusade as a movement directed against African colonization in general, rather than against Britain specifically. These leaders were quick to admit that when the celebrations were over, independence would bring with it great responsibilities.

I read Dr. Nkrumah's autobiography which gives a very good insight into the man's character, as well as of the whole struggle for independence.

During our stay in Ghana our party, including my own staff, Dr. Ault, Mr. McInnes and our aircrew and newsmen, had excellent opportunities to talk to people in all walks of life. I think that, collectively, we got a fair cross-section of public opinion.

Among those with whom we talked were British civil servants. I understand that the Government of Ghana has made a definite and fairly generous cash offer to compensate non-Africans who decide to retire from their present positions within the next two years. Some of these officials expressed to us their desire to come to Canada, but are faced with currency exchange conditions that make it difficult for them to bring sufficient cash resources with them to secure re-establishment anywhere in the dollar area.

I made a point of visiting with other members of the party, the City of Kumasi, located 170 miles inland by road from Accra. There I called upon the Asantehene who is virtually the King of the Ashanti people, numbering about one million. The Ashantis and their leaders are in accord with the central government on one point: they are in favour of independence. However, they seem to consider that their interests are not identical with the people living in the Accra area. Undoubtedly, the big task of the central administration will be to deal with the problem of keeping the country united. However, it is interesting to note that the C.P.P. (Convention People's Party), which forms the Government of Ghana, holds six of the twenty seats in the Ashanti country and the Northern Territories. In the country as a whole, the C.P.P. has seventy-one seats plus one Independent supporter, as against thirty-two seats for the opposition N.L.M. (National Liberation Movement).

Since the C.P.P. came to office and under the interim constitution, great strides have been taken in modernizing educational facilities. As yet, only ten to fifteen percent of the people are literate; the Government has spared no effort or expense in the construction of university buildings, which are beautifully designed and modern in every way. A very impressively built Kumasi College of Technology, Science and Arts, has been completed, designed to eventually accommodate a total of 1,000 students. At present, however, this institution is understaffed and difficulty is being experienced in recruiting enough students because so few possess the required academic qualifications.

There is also at Kumasi, a splendid new 500-bed hospital that appears to be very well equipped. However, there are only fifteen part-time doctors on its staff and there is a shortage of trained nurses as well. My impression is that there exists a woeful shortage of skilled personnel to serve in the fields of education, public health and the civil service.

My visit with the Asantehene at Kumasi was a most interesting experience. He has the reputation of being a difficult man to approach and usually speaks to visitors through an interpreter. On this occasion, however, he received us personally in his lavishly furnished drawing room.

At first the Asantehene was rather uncommunicative, but I was able to draw him out by asking about his Ashanti territory and its people. I mentioned that I had been shown the well, located several hundred yards from the fort in which British forces were besieged by the Ashantis in 1900, and that I had been informed on how the chivalrous Ashantis had allowed the British to leave the fort every evening to go to the well. This reference appeared to please the Asantehene and he responded by telling us about his people, the size of his territory, supplemented by a few caustic remarks about the recent election. I asked him if he travelled much and he replied that his travelling was mostly confined to his own Ashanti territory. I suggested that he come to Canada sometime. Perhaps unfortunately, the local African newsman attached great importance to this remark of mine. In Accra the following day, the daily papers gave considerable space to the fact that the Asantehene had been invited by me to come to Canada. I am told that Prime Minister Nkrumah expressed some concern over the incident. As a result, Dr. Ault called upon the Prime Minister and explained the circumstances of the so-called invitation. He reported that the Prime Minister no longer feels any concern. It seems that in the local political arena, the Government is trying to retain the support and goodwill of the Asantehene but, at the same time, to persuade him to reduce his traditional powers and position to a supporting role in the new State. Evidently there was some apprehension that we had given the Asantehene too much of a buildup.

While I was in Kumasi, Mrs. Prudham in Accra spoke and officiated at the opening of a fair which was under the sponsorship of a women's organization similar to our Women's Institute.

During the last two years the Government of the Gold Coast, in preparation for the Independence observances, built a luxury hotel, consisting of 100 rooms. It is a beautifully designed structure that would do credit to any capital in the world. It seems that these people place great emphasis on material evidence of their progress. The Government has also constructed a State House in which the State Ball was held. It is most attractively designed and expensively draped. The building was very suitable indeed for the State Ball at which was served a buffet dinner for nearly 3,000 guests, but I heard remarks that it might be difficult for the authorities to find a use for the State House after the Independence events.

At the State Banquet, where representatives of 65 countries were accommodated in the huge dining room, the Commonwealth representatives were seated at the head table on either side of Her Royal Highness, the Duchess of Kent, the Governor-General and Lady Arden-Clarke and the Prime Minister. The Canadian representatives had an honoured position as representatives of the Senior Member of the Commonwealth outside the United Kingdom. One sour note of the evening was the rapidly circulated rumour that Mr. Nixon was disgruntled because he did not have a place of honour. He sat at a side table not far from the position of honour, but his seating was evidently the result of an alphabetical arrangement. This incident seemed to bother the Right Honourable R.A. Butler more than anyone, as he mentioned it and voiced regrets whenever he spoke to me, but I am convinced no slight whatever was intended by the Ghanaians. If there was any embarrassment I am sure it was caused inadvertently. Mr. Nixon certainly tried to spread American goodwill, but there were casual remarks about his too obvious and zealous methods.

One thing noticeable during our entire visit was the friendly feeling displayed on all sides towards Canada. Wherever we went we were cheered as soon as the people caught sight of the Canadian ensign and the name of our country on the car.

We took particular care during and at the end of our stay in Ghana to be generous in the matter of gratuities to aides, car drivers and others serving us during our stay. I do feel that our Canadian delegation left in Ghana a feeling of goodwill. I feel that all members of our Canadian group conducted themselves with credit to Canada, and the spirit of willing teamwork prevailed throughout.

We arranged a dinner for the Prime Minister and his chief Cabinet Ministers, Mr. Gbedmah and Mr. Botsio, as well as for two or three senior civil servants and other officials of the Government and representatives of business. On this occasion we presented the controversial painting and silver cigarette boxes, suitably engraved with the Canadian crest and a tribute to Ghana. We also presented a library of books to the Prime Minister and a separate set of books to the University. We gave the Minister of Education suitably engraved maps of Canada for distribution to the schools.

On this same dinner occasion, I read out the statement you gave to the House of Commons on March 6th, Ghana's Independence Day.[83] This was very well received by the Ghanaians and they enjoyed several chuckles over your suggestion that they would doubtless receive unsolicited advice from other Commonwealth countries. I emphasized also that they were beginning to travel the same road as we in Canada had travelled, and that we both belonged to the Atlantic community of nations. I then asked all present to rise and drink to the health of our Queen.

I may say that the Prime Minister and his Colleagues were particularly pleased over your announcement that Canada would establish a mission in Ghana as soon as possible.[84]

I found that Ghanaians generally place great stress on the fact that their country is a member of the Commonwealth. Undoubtedly they will resent any attempt by Britain to give leadership or direction, in view of the fact that they have just broken away from colonial ties. In my opinion, this circumstances places a great responsibility on other members of the Commonwealth, perhaps more especially on Canada.

I believe that the Commonwealth and the Western World, as well as the Ghanaians themselves, are fortunate that this experiment is taking place in Ghana where the population is not excessively large and where the country is relatively self-sufficient in natural resources. Also, they have no racial problem other than intertribal rivalries.

Our party had opportunities to talk to representatives of other African countries and found that the experiment in Ghana is being watched by the entire continent of Africa. Successful self-government in Ghana, in my view, will be of the utmost importance in determining the trend of the political future of Africa.

I have returned to Canada impressed with the fact that the political leaders in Ghana sincerely desire to co-operate with the Commonwealth and the Western World, and that we, in Canada, should give them moral and other support. It is important that the leaders and people of Ghana continue to feel that their association with the Commonwealth means something more than belonging to a social club — in other words, that there are definite practical advantages as well.

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[83] Voir Canada, Chambre des Communes, *Débats*, 1957, volume II, p. 2003.
See Canada, House of Commons, *Debates*, 1957, Volume II, p. 1921.

[84] Un haut-commissariat du Canada au Ghana fut établi le 30 octobre 1957 à Accra et dirigé par un haut-commissaire résident.
A resident Canadian High Commission to Ghana was established on October 30, 1957 in Accra.

Should they become disillusioned or convinced that we are not really interested in their destiny, then there is grave danger that Ghana will be attracted to the other camp. If this happens, I believe the interests of the free world will be jeopardized in all Africa. Indeed the Russians were on hand in Ghana and were very aggressive. I think that they showed very poor judgment in their high pressure methods to force the Prime Minister and his advisors to enter into a treaty with the promise of financial aid. We learned of this through Sir Robert Jackson, who has the confidence of the Prime Minister and the Government.

Incidentally, while in London, on our return journey, I had the opportunity to talk to some officials of the Commonwealth office and stated that, in my opinion, it would be wise to leave Sir Robert Jackson in Ghana, especially during the transition period. He is personable and a very clever man and, I believe, his influence in that country is very important at this time.

Since our return to Canada, we have heard and seen criticism in some quarters for the meagre nature of our gifts to the leaders and people of Ghana, but I don't believe that the Government leaders themselves felt that way. I have already described these gifts in some detail. The total value of these amounted to about $1,200.00 and I think it would have been a mistake had we tried to compete with Russia or other nations in this matter of gifts. I believe that what we do from now on is vastly more important.

I have referred to the goodwill we from Canada felt towards us and our country while we were in Ghana. In this regard I would like to describe something of what occurred at a dinner given by us to our African aides on the eve of our departure for Canada.

At this dinner we presented the aides with generous gratuities in aid of their educational expenses and, also made gifts of engraved brooches and cuff link sets. We also expressed in words our deep appreciation of their services. One of them, S.K. Attipoe, spoke in reply to our presentations and I feel that some of his remarks are worth repeating:

"We have been very happy", he said, "to serve our Canadian friends to the best of our abilities. Now has come the time of parting. For you it is a time of joy — because you are returning to your homes, to those you love and to the friends with whom you work. But for us it is a sorrow — because we are losing your companionship and your inspiration".

"When I was assigned to work with the delegation from Canada, I cannot tell you how thrilled I was. I was thrilled for many reasons, because you in Canada were the first to obtain self-government within the Commonwealth. You can be a mighty bridge between yourselves in America and us who are the latest within the Commonwealth to attain full freedom — yes, a bridge also perhaps between the West and all the peoples of Africa and Asia."

I wish to pay tribute to the representative of External Affairs who accompanied us, Mr. Graham McInnes. He was tireless in his efforts in connection with the arrangement of details or our activities, both before and bring our visit in Ghana. He also interviewed representatives of various countries desirous of learning more about Canada.

I am sure you would be interested to know of the gracious and generous nature of the hospitality extended to all members of the Canadian party by the Government of Ghana. No effort was spared to make certain that all members of the Canadian party were comfortably housed and nourished.

On our return journey we stopped at Dakar, where our entire party were guests of the High Commissioner for French West Africa. Although we had some language difficulties, it was a very profitable and memorable evening.

On our second night we stayed at Gibraltar, where the Prudham family were guests of Governor and Lady Redman.

We stayed in London over the week end of March 16th. There our own High Commissioner and his assistants, Mr. and Mrs. S. Pierce, favoured us with a luncheon.

As the weather over the Azores turned bad and appeared likely to remain so for several days, we came home by way of Iceland where our needs were attended to by the American Air Force.

At Goose Bay we were guests of the R.C.A.F. officers in their quarters. I cannot speak too highly of the conduct and efficiency of our 'NORTH STAR' Air Force crew who were indeed Canadian "ambassadors of goodwill".

The Press and C.B.C. representatives were very co-operative and since our return, Mrs. Prudham and I have had the entire party to our home for dinner. This gave us the opportunity to exchange impressions gathered from our various points of vantage on the trip.

There were a number of amateur photographers in our party, most of whom took pictures in colour. I have had many requests since my return to Ottawa from Members of Parliament, including Opposition Members, for descriptions of our trip to Ghana. If time permits, I hope to show some of our pictures in the Railway Committee Room.

Yours sincerely,
GEORGE PRUDHAM

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Note de la Direction du Commonwealth et du Moyen-Orient
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Commonwealth and Middle Eastern Division
to Under-Secretary of State for External Affairs

SECRET. CANADIAN EYES ONLY. [Ottawa], April 16, 1957

GHANA: SOME NOTES ON POLITICAL AND ECONOMIC PROBLEMS: SUGGESTIONS FOR A CANADIAN POLICY

Introduction

The careful organization and the éclat marking the Ghana Independence Ceremonies as well as the atmosphere of extreme good will on all sides were evident to those who visited Accra. The suspension of political and personal disputes, as well as the flattering court paid to the new nation of Ghana by senior representatives from nearly all the nations and dependent territories of the world, tended, however, to overshadow the exceptionally rapid (some would say too rapid) pace at which the new nation has moved towards its freedom and the unsolved problems with which it must now deal. It is astonishing to recall that less than six years ago the Prime Minister, Dr. Nkrumah, was in jail together with some of the principal members of the present cabinet of Ghana. As recently as six months ago serious doubts were entertained in the Colonial Office as to whether it would be possible for Nkrumah's CPP (Convention People's Party) and the Ashanti sufficiently to compose their differences in time to make Ghana an independent nation that would be both politically stable and economically viable.

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2. These misgivings, and their accompanying strains and tensions, were of course masked during the Independence Celebrations during which, at a cost of £ 3 million, a remarkable demonstration of efficiency and unity was created. Nevertheless they remain; and now that the hand of the British has been withdrawn and the steadying influence of the Governor General, Sir Charles Arden-Clarke, is shortly to be withdrawn, the next six months or so will prove a critical testing time for Dr. Nkrumah and his party. Specifically, they will have to tackle certain acute political, internal, economic and administrative problems outlined below (paras. 9-34). They will also have to decide whether or not to taste more of the heady wine of Pan West Africanism or of Pan Africanism generally, and the extent to which they are going to permit extreme left wing and anti-West tendencies to gain any control of government policy.

3. The next few months are also likely to prove a testing period for the West in its relations with Ghana. Ghana is at present oriented towards the West, but over-caution, hesitation, or an attitude of patronage on the part of the West may tend to make this orientation change. There is at present, however, no reason to count Ghana as a solid member of the Arab-Asian bloc. Its economic and political interests rest either with Black Africa, or with the Atlantic.

The Speed of the March to Independence: Nkrumah and Arden-Clarke

4. We heard the view expressed by certain United Kingdom civil servants, but also by politicians and intellectuals in the Ashanti, that the march toward independence had been too swift. Much of this may perhaps be dismissed as a mere longing for the dear dead days. It was suggested to us that Arden-Clarke, a man of very firm and vigorous personality, having taken the risk of treating with Nkrumah in 1951, was also determined to crown his lifetime of colonial service with the achievement of independence for Ghana. (Similar charges, involving the heightening of personal prestige, were also made against Earl Mountbatten in the days leading to the Independence of India.) There may be some truth in this; on the other hand, Nkrumah owes, and is aware that he owes, a great deal to the steadying influence, firm hand, and above all the robust common sense of Arden-Clarke.

5. The political role of Nkrumah himself, so far as one can see, has been during the past five years without any element of dubiety. That is to say, while never departing from the political goal of complete independence for Ghana which he has kept constantly and consistently in view, he has worked within a constitutional framework, and the march to independence, at least since the riots of March, 1949, has been attended with singularly little violence. Nkrumah, strikes one as a man of inflexible purpose, but flexible as to tactics; and while excited at, he does not give the impression of being intoxicated by the prospect of Pan-Africanism under Ghanaian leadership. Having secured his people their freedom, he is now dedicated to the task of improving their economic lot which, while markedly superior to that of India, is still abysmally poor by our standards.

6. We heard it said that had it not been for the high price of cocoa in 1951-1954 and the stick to beat the United Kingdom which this dollar-earning capacity gave to Nkrumah, the British would have delayed independence by perhaps as much as ten years. In this they would have found powerful allies in the Ashanti, a semi feudal society the role of whose paramount chiefs is broadly analogous, in microscopic form, to that of the maharajahs and nawabs of undivided India. All this, however, is might-have-been. The price of cocoa was high and this not only enabled Nkrumah to pile up a surplus of close to £ 230 million for his Cocoa Stabilization Fund, but at the same time to embark on a highly necessary and perhaps, in this context, not too overly ambitious programme of economic and social betterment for his people.

7. One of the things that strikes one about Accra, Kumasi, Koforidua and the smaller centres is the large amount of money which has been put into the improvement of roads and railways, the building of schools and hospitals, housing projects, health and sanitation measures, and rural mass education. It seemed to us wholly to Nkrumah's credit that he should have chosen to spend his money that way rather than follow the arbitrary and personalized role of President Tubman of next door Liberia whose £ 2 million U.S. subsidy has been largely frittered away on uneconomic and irresponsible projects. The test comes now with the fall in cocoa prices.

8. It would thus appear that the pace towards independence has indeed been breathtaking, granted the extraordinary mass appeal of Nkrumah's party, which could not be withstood. At the same time, once Arden-Clarke had advised the British Government to grasp the nettle by treating with Nkrumah when, while in jail, his party secured an overwhelming electoral majority, the rest followed naturally. Now that the country is independent, serious but not insurmountable problems remain.

Political Problems

(a) *Regional Separatism*

9. Undoubtedly the most tricky problem is the working out of some kind of reasonable relationship between the broadly conservative tribal, and hierarchical society of the Ashanti, and the radical populist movement on the coast represented by the CPP. To the leader of the opposition, Professor K.A. Busia, the initials of his National Liberation Movement mean liberation for the Ashanti from the tyranny of the arrivistes represented by Nkrumah and the CPP. Prior to and during the 1956 elections, animosity between the two reached serious proportions. There were accusations on the part of the CPP that the Asantehene and the paramount chiefs of the Ashanti were using their semi-feudal power to prevent legitimate electioneering by the CPP in the Ashanti. There were also counter accusations from the NLM that city toughs from Accra, Sekondi and Cape Coast known as "Verandah boys" had used, with Nkrumah's connivance, strong arm methods in the Ashanti. Though feeling seems to have died down, it at one time ran high. It had the regrettable effect, among others, of alienating the intellectuals from the CPP. Most of them are now to be found in the NLM whose leader, Dr. Busia, is professor of Sociology at Ghana University. Nkrumah's personal representative in London, Joe Appiah, husband of the former Peggy Cripps, found Ashanti family connections conflicting with his political loyalties, and is now an MP for the opposition.

10. On the other hand, in the 1956 elections, the CPP did gain eight of the twenty-one Ashanti seats, and this constitutes no mean minority. When we were in Kumasi, we listened to a lengthy and heated argument between the National Chairman of the NLM, Baffuor Osei Akoto and the leader of the CPP in Ashanti, Joe Manioo. It seemed to us that there were very real differences of opinion but that if they were capable of being discussed in this disputatious but friendly fashion, they were also capable of being solved, granted good will and a reasonable degree of statesmanship on both sides.

11. It will not do, however, for the CPP to continue to make rather crude political gestures such as the building in Kumasi of a £ 2 1/2 million hospital which cannot be effectively operated because of the critical shortage of trained doctors and nurses. In the same way, Dr. Busia may have to recognize that while he is a first class intellect, his political appeal is restricted. Nkrumah reaches down to the masses and the strength of his party is that it is a mass party with simple slogans and election cries. It may be that some of the heady strength of the CPP may turn sour if the steep fall in the price of cocoa causes a slowdown of the developmental programme. Similarly, there may also be a realization on

the part of Nkrumah that it is the Ashanti that grow the bulk of the cocoa and that their position needs protecting and the cocoa farmers more assiduously courted. On the other hand, one can also hope that the very real strength demonstrated by Nkrumah, not only in the colony where he secured all the seats, but in Ashanti (see para 10 above), may cause the Asantehene and the lesser chiefs to pause before being unnecessarily obstructionist.

12. It was the threat of the possible deadlock with the chiefs that led the Minister of Finance and the Minister of Trade and Labour, Nkrumah's two chief deputies, to fly belatedly to London in February for further negotiations with the Colonial Office. As a result of this meeting, further undertakings were given regarding the safeguards written into the draft constitution, and now approved by the National Assembly of Ghana. The safeguards which are contained in paragraphs 25-40 of the Constitution provide for the establishment of Regional Assemblies and Regional Councils of chiefs. These, it is hoped, will provide a safety valve both for the strain of discontent still existing, and for the exercise of the power of the hereditary Asantehene and the tribal Asanteman Council. The safeguards also include a provision that constitutional amendments require a two-thirds majority in the National Assembly and also a majority in two-thirds of the Regional Assemblies. However, this carefully constructed system of checks and balances is not likely to work unless it is honoured in the spirit as well as the letter both by Nkrumah and by the Opposition. On the whole, from our observations and the discussions which we had, it would seem likely that in the interests of both sections and for the good of the new nation as a whole, statesmanship is likely to prevail. But again, this may depend to some extent on the success of other separatist movements (see para 13 below) and the struggle for power now going on within the hierarchy of the CPP.

13. Another separatist movement which came to a head at the time of the Independence Celebrations is that of the dissident minority in Togoland which voted against its inclusion in Ghana. Bloodshed ensued and a detachment of armed police had to be sent into Ho, the capital of Togoland, to put down disorders. Insofar as the separatist movement is sponsored by the Ewes, Nkrumah has a good political answer ready. With the incorporation of Togoland into Ghana a considerable body of Ewes have now achieved unification; all in fact save those remaining in French Togoland. It may be that Nkrumah will decide to damp down separatist tendencies in his own section of Togoland by suggesting that Ewe agitation be turned toward securing the eventual incorporation in Ghana of their Ewe cousins from Lomé. Nkrumah also faces opposition of a milder form from the Muslim speaking Northern Territories whose one and a quarter million people have 26 seats in the Assembly and which are now with the opposition. But on the basis of a CPP representation of eleven seats from the area he seems capable of dealing effectively with this threat.

(b) *The Struggle within the Party*

14. From the standpoint of the West and of Nkrumah, a further political difficulty seems to lie in the streak of irresponsibility which may be detected in the lower echelons of the CPP, and which in our observation extends to the personality of the Minister of Works, Mr. N.A. Welbeck. It receives fuel from that section of the party led by Mr. Botsio, the Minister of Trade and Labour, whose line is strongly pro-socialist and who, while not precisely anti-western, is not necessarily friendly to the West. Several of Nkrumah's minor advisers appear to have not merely strong socialist but also crypto-communist tendencies and backgrounds. The most sinister *eminence grise* whom we encountered in Accra was Geoffrey Bing, a former United Kingdom Labour MP who holds extreme left wing views and who is reported to be one of Nkrumah's close advisers. On the other hand, Sir Robert Jackson, Chairman of the Volta River Preparatory Commission, stands very high in

Nkrumah's councils and has recently had his term extended, at the Prime Minister's personal request, for an additional eight months to one year.

15. Much may depend on the outcome of the struggle now going on between Mr. Botsio and Mr. Gbedemah for the deputy leadership of the party, which carries with it the post of Deputy Prime Minister. At present the struggle between them has only been postponed because of the Independence Ceremonies. Both men have been associated with Nkrumah since the early days and were in prison with him in 1951. It seemed to us that Botsio had more popular appeal and political shrewdness, but that Gbedemah, who is Minister of Finance, would be the indispensable man so far as Nkrumah is concerned in persuading the West of the responsibility of his government towards the prospects of foreign investment. He struck us as very capable and alert and a good administrator. We gained the impression that while, from an emotional standpoint, Nkrumah may feel closer to Botsio, he recognizes that he needs Gbedemah even more. Should Gbedemah's influence decline, this would perhaps be a serious matter for the West — and for Ghana.

(c) *African Nationalist Movements*

16. That Nkrumah has ambitions for a West African Federation is no secret. He states so in his autobiography *[The Autobiography of Kwame Nkrumah]* published on March 6. At his press conference in Accra on March 7 he said that the West Africa Federation is "a favourite idea of mine and one that lies very close to my heart". So long as this meant that he would use his influence and his on the whole highly responsible example, to encourage and also to steady such politicians as Dr. Azikiwe and Mr. Awolowo of Nigeria and to bring Sierra Leone and Gambia forward towards independence, this is all to the good. Sir James Robertson, the Governor of Nigeria, told us that Awolowo, of the Western Region, was possible Prime Ministerial timber but that he would "never trust" Azikiwe, of the Eastern Region. In the light of Azikiwe's categorical triumph at the recent Nigerian election, this is interesting. However, should Nkrumah entertain ambitions to be himself Prime Minister of a West Africa Federation, this might not only involve him in conflict with his colleagues in Nigeria (which compared with Ghana's five millions can muster close to 35 millions of whom perhaps 15 millions are politically mature); it might also lead him to neglect necessary economic tasks at home for the pursuit of grandiose ambitions in the area.

17. Nkrumah also has definite aspirations to be a leader of independent Africa, and insofar as this might lead to his urging emergent African territories to follow his example, this again is healthy. He stated at his press conference that he would like to call a conference in Accra of all the independent African countries, not excluding, he added with a smile, South Africa "if it would do any good". He would include Morocco, Tunis, Libya, Egypt, the Sudan, Ethiopia, Liberia, and Ghana.

18. In both private and public statements Nkrumah has expressed a strong preference for the Commonwealth connection and for an Atlantic orientation. On March 7 he said, "It is not in my mind that we should ever be a Republic within the Commonwealth, but if the country were to force me to go to that, then it is the furthest that I will ever go. At present we are a dominion within the Commonwealth". He added, "I am an internationalist. I am not against any race or creed but I am [for] a principle, the principle of anti-colonialism". He had frequently said in his autobiography and elsewhere, that it is better to be free and mismanage your affairs than to have them managed for you by someone else and not to be free. It is this curious combination of sober constitutional responsibility and a burning passionate belief in the right of the African to freedom that makes his appeal so powerful.

Economic Problems

(a) *Fall in Cocoa Price and the Development Programme*

19. The principal economic problem now facing the government is the drain on its carefully husbanded reserves which will result from the fall in the price of cocoa on the world market. It is at present down from a 1954 high of over .70 cents a pound to a 1957 low of .23 cents a pound. This year Nkrumah has had to dip into the Cocoa Stabilization Fund in order to bring the farmers the guaranteed price. But the government is also committed to a programme of economic development and social welfare mentioned in paragraphs 6-8 above. While both the cocoa subsidy and the developmental programme can probably be carried on concurrently for a brief period, there is clearly a limit to this. If the cocoa farmer is not paid his subsidy there may be political discontent in the Ashanti; if the developmental and social welfare programme is halted there may be discontent throughout the country and particularly in the former Coast Colony from which the Prime Minister draws his principal support. This dilemma Nkrumah hopes to solve by broadening the base of his economy. The chosen instrument for this purpose is the Volta River Project (paras 21-27 below).

20. The developmental plans have in general been responsibly conceived: e.g. the single arch bridge across the Volta River linking Togoland by road for the first time with the rest of the country; the new railway line linking Takoradi directly with Accra; the development of the new port facilities at Tema; small country hospitals in the Northern Territories; cocoa scientific research stations; campaigns against the anopheles mosquito and the tsetse fly; mass education in rural areas. There have been one or two examples dictated perhaps by the necessity for political boondoggling (e.g. the £ 2 1/2 million hospital at Kumasi) or by considerations of national prestige (the States House and the Ambassador Hotel in Accra).

(b) *The Volta River Project*

21. It is not the purpose of this paper to analyse the economic and financial implications of the project, especially since the report of the World Bank team is expected shortly. However, a layman may perhaps be permitted two general observations:

(1) Whatever one may think of the project it is, so far as Nkrumah and his cabinet are concerned, their chosen instrument. They claim to have examined all other possibilities for broadening the base of Ghana's economy and reducing its heavy dependence on the fluctuations of the world's cocoa market, and to have come up with the Volta Project.

(2) The Volta River Preparatory Commission in conjunction with the United Kingdom consulting engineers, Sir William Halcrow and Partners, has been engaged for the past four years in an exhaustive examination of the engineering, administrative and social problems connected with the project. These are available in three massive five hundred page volumes. Associated with the investigation have been the representatives of the United Kingdom government, the Ghana government, Aluminium Limited, and the Aluminum Company of Canada, which keeps a permanent representative in Accra, Dr. R. Grimes-Graeme of Montreal. The whole project is under the energetic and imaginative chairmanship of Commander Sir Robert Jackson, KBE, who is well known to the Department.

22. A visit to the site was paid by the Canadian party under the leadership of Mr. Prudham. While little can be gained by laymen from such a visit, one does get a general sense of the seriousness with which the work is being pursued and the amount of preliminary surveys into rock blasting, soil hardening, river levels, etc. that have been undertaken. Those to whom we spoke seemed convinced that the project was economically and technically feasible. Indeed, the Report of the Commission published in July 1956

states that it is technically sound and could be constructed successfully and operated competitively. Mr. Prudham, with long experience in the construction business, gave it as his opinion that the project was "well engineered". Preliminary work in the construction of a railway to the bauxite mines, the siting of the proposed smelter and the creation of the new port of Tema is already under way. As is generally known, the proposal is to build a dam at Ajena on the Volta to form a lake of 3,300 square miles, the fifth largest in Africa, and to produce power for the operation of a smelter which would be fed from indigenous bauxite found in two outcrops, one within fifty miles of the dam, the other within 125-150 miles. This bauxite has been surveyed and reserves are reputed to be massive. The lake would also be used for irrigation, fishing, reforestation and to supply subsidiary power to the cities of Ghana.

23. There seems to be some doubt as to the costs of the project; each time these are submitted they are higher. While this is an experience which we have all had in helping under-developed countries, there is something to be said for knowing the worst earlier rather than later. Recent estimates put the total cost of the project at about $650 million. Of this, $200 million would be spent for the power development, $220 million for the smelter plant, and the remainder for the port, railway, communications, housing, etc. It is proposed that two fifths of the capital be furnished by Ghana with the remainder, representing the cost of the equipment and materials, coming from external sources. In view of the large sums involved and the considerable economic and political risks, the potential participants are proceeding with caution before making any final commitment. It has now been proposed that the World Bank, of which, together with the International Monetary Fund, Ghana is shortly to become a member, make a loan to assist in financing. We gained the impression that everyone concerned was waiting on the Bank's report, and that unless it were favourable the participants would hesitate to act.

24. We were told in some quarters that the figure of $650 million was a "safe" figure, or a "careful" figure. This was not to suggest that it was in any way inflated, but that it contained prudent allowance for contingencies of various kinds which, should they not be realized, could considerably reduce the cost of the project. On the other hand, delay in starting the project would presumably increase the costs. It is estimated that it will take eight years from the starting date before the project is in full operation.

25. Insofar as one can judge from discussing the matter with cabinet ministers, senior civil servants and British civil servants in Ghana, the scheme, while ambitious, is not grandiose. The suggestion that "a little country like Ghana" should not embark on a project larger than Kitimat becomes irrelevant, provided the participation of such major producers as Aluminium Limited and Alcan is assured, for such a development can then take place wherever there is bauxite, power and nearness to world markets, and so long as the world demand for aluminum continues to increase.

26. Politically, as well as technically, the project seems to be very much sounder than the Aswan Dam, over half whose water, we were told, would be lost in storage by evaporation. Unlike Egypt, Ghana is very friendly to the West, is at present publicly committed to the West, and to friendship with the United States. It is a member of the Commonwealth. It has and expects to continue to have an Atlantic orientation. Its natural markets have long been with the United States, United Kingdom and Western Europe.

27. The possibility of blackmail or of playing off the West against the USSR may exist, but on Nkrumah's record it seems unlikely. He is, it is true, passionately devoted to the cause of the freedom of dependent peoples in Africa; but he is equally passionately devoted to the economic and social betterment of Ghana, and he sees the Volta River Pro-

ject as the best way of doing this. He would be likely, on balance, (and this will be even more so if Gbedemah wins out over Botsio for the Deputy Prime Ministership) to set aside or delay other cherished political schemes in order to see the Volta River Project through.

28. The decision to retain the services of Sir Robert Jackson for a further eight months to a year (see para 14 above) may be due in part to a realization that western donor nations will tend to sit back and watch during the six months following the independence of Ghana; but it is probably also due to a belief that to retain this dedicated and expert civil servant is one of the best ways of convincing the West that Ghana is responsible and creditworthy.

29. Another way of doing this would be not to insist on too rapid Africanization of personnel or of product in respect of the new industries now being developed by the government, and to assure those firms operating in Ghana, such as the United Development Corporation, and the United Africa Company that they will not be taxed out of existence.

30. It is perhaps worth pointing out that a kindred obligation may rest on the West, if it wishes to retain the friendship of the first independent black African nation and to help it to maintain its close connection with the West so that other African nations, as they emerge, will not fall into the orbit of the USSR or of the Arab-Asian Group. In this context, it would appear advisable for both private enterprise and government in Canada, the United Kingdom and the United States, to give very serious consideration to the possibility of participation with Ghana in the development of the Volta River Project. Such an expression of confidence would in itself have the effect of discouraging any irresponsible elements, and Ghana would set an example to the rest of emergent Africa, which would in turn tend to keep it with the West.

Administrative Problems

(a) *Public Service*

31. The main administrative problem facing Ghana is that of overcoming its weakness in the technical and administrative cadres of the civil service. This weakness is deplorable. Of the existing United Kingdom Colonial Office staff in Ghana, 330 opted on March 12 to accept the £ 8000 settlement in lieu of career and thus to leave the service by March 1959. Only the dedicated are remaining, together with the politically acceptable (certain civil servants from the Northern Territories and the Ashanti will probably have to go despite their own wishes because they are now politically unacceptable to the left wing of Nkrumah's own party). This has further thinned the existing cadres of African trained civil servants.

32. Dr. Orvill Ault of the Canadian Civil Service Commission, who has been in Ghana for the past three months as head of the United Nations technical assistance mission on manpower requirements, has made a detailed survey of this problem for the United Nations, and his findings will be made available, on an informal basis, to the Canadian Government on his return. Pending the receipt of his report it is perhaps only necessary to say that glaring gaps, not only in the first rank but also in the second, were visible to the Canadian party in External Affairs, in the Prime Minister's Office, in the Police, the hospitals and technical institutes. In the latter certain courses (for example in mechanical engineering) have had to be abandoned because there were not sufficient students. This reflects a serious situation at the high school level which in turn is the result of a failure to date to make education compulsory. Until the results of the mass education and literacy campaign begin to be felt, civil servants and technicians, even those of modest attainments, will be hard to come by. The next ten years will be critical and the suggestion has been made (by Mr. Norman Robertson) that Canada could perhaps help best in this field by establishing a

diplomatic mission which would in fact act as a bilateral technical assistance centre between Canada and Ghana.

(b) *Corruption*

33. The government acted smartly to implement the findings of the Jibowu Commission, which found that funds of the Cocoa Marketing Board had been used to support the electoral campaign of the CPP. It may well be found that the system of "dash" (similar to what we have encountered as "baksheesh" in Pakistan) is indigenous to Africa. If so, this should not be taken too tragically; but there may come a point at which, if Nkrumah cannot control it, "dash" might adversely affect the development of technical services and the extent to which private enterprise could operate in Ghana.

34. Finally, in its economic and administrative contexts, we noticed that the Commonwealth appeared to mean a great deal to Ghana. The Ghanaians spoke of it all the time and seem to regard it as natural that its members should help each other. Most people, even quite senior civil servants, regarded the Colombo Plan as a Commonwealth affair and were unaware that non-Commonwealth countries, including the United States, were associated with it. They tended to assume that upon applying, they could become members of the Colombo Plan. When informed that this was restricted to South and South East Asia their reaction was: why not change the name?

Leading Personalities

35. Although Ghana is in no sense a Liberia, it is nevertheless true that, as in many underdeveloped countries where democratic institutions are in fledgling form, leadership tends to revolve around personalities. Some notes on some leading personalities may not therefore be out of place.

Dr. Kwame Nkrumah, the Prime Minister

36. Dr. Nkrumah gives an impression of easy affability bordering at times of diffidence, but one senses beneath this an inflexible purpose. In converse with Europeans, his passionate nationalism appears to be well clothed by the social niceties, and even by a certain absent-mindedness. In the presence of Africans, however (and this was notable at 12.15 a.m. on the night of Independence when he spoke to a hushed crowd of 50,000), his tense, controlled emotionalism has a most profound effect. What is remarkable about Nkrumah is that having created a populist instrument to back up his unshakable conviction that Ghana must be free, he has proceeded at all stages by constitutional methods. At the same time, he treads a tight rope since he is balanced between (a) the left wing malcontents of his own radical party with dreams of communist affiliations, of kicking out western enterprise, and promoting Pan Africanism, and (b) the strong hereditary and elective ties and the semi-feudal attitudes of the paramount chiefs. Taking Nkrumah at his word both in public and in private, one foresees the likelihood that he will pursue a middle-of-the-road socialism at home, will live up to his economic responsibilities, will promote African independence wherever it is possible, and will continue to be oriented towards the West.

Kojo Botsio, Minister of Trade and Labour

37. From Nkrumah's autobiography and also from what one saw of the two men in Accra, it would appear that there is a stronger emotional affinity between them than between Nkrumah and Gbedemah. Botsio, who took a post graduate course in education at Oxford, and who has been Nkrumah's constant companion for the past eight years, appears to have imbibed more radicalism in the United Kingdom than Nkrumah did in the United States. He is a strong socialist, a shrewd politician and not averse, one feels, from the possibility of providing circuses, should bread ever be absent.

K.A. Gbedemah, Minister of Finance

38. Mr. Gbedemah has also been associated with Nkrumah since his return to the Gold Coast in 1948. During the period when Nkrumah was in jail, Gbedemah, because his sentence was shorter, was responsible for organizing the CPP and apparently did a highly professional job. In contrast to Nkrumah, Botsio, Casely-Hayford, Hutton-Mills and others, his background is entirely African. He gave us the impression of knowing Africans and their problems very well and also of being a capable administrator with an understanding of the political implications of finance. While imbued with the nationalist spirit, now that Independence has been achieved, he seemed to us to have a degree of responsibility and common sense which should serve Ghana well in the next critical years. Although he lacks the academic background, it is perhaps not fanciful to describe him as bearing a relationship to Nkrumah similar to that which Deshmukh bore to Nehru in the days following the Partition of India. It is to be hoped that, if the struggle for the position of Deputy Prime Minister between Botsio and Gbedemah is resolved in favour of the former (as seems possible) Gbedemah will nevertheless be given fuller authority over the non-political side of the government so that he may become a sort of economic czar.

A.E.A. Ofori-Atta, Minister of Local Government

39. This minister comes from a well born family of chiefs, the Ofori-Attas, who live on the border of the old coast colony and Ashanti. He offers a useful bridge between the paternalistic society dominated by the chiefs and the rootless radicals of the coast. He struck the Canadian party as tough, shrewd, and capable. He is definitely a "strong" man and interested in the economic future of Ghana; the Secretary of his Department is passionately devoted to co-operatives, and is persuading his minister toward a like interest.

N.A. Welbeck, Minister of Works

40. Welbeck was director of propaganda for the CPP before he became a cabinet minister. He struck the Canadian party as opinionated, and verging on the irresponsible. He boasted privately that now that he was Minister of Works he knew what the people wanted and knew where to place government funds. This seemed a thinly veiled reference to the possible use of his Department for political purposes. On the other hand, we were informed that his influence with Nkrumah and the upper echelons of the CPP is small. This is certainly to be hoped.

Sir Emmanuel Quist

41. The Speaker of the Legislative Assembly is a figure of immense dignity and authority. We were told that during the critical days of the development of the breach between the CPP and the NLM as well as the closely fought arguments with the British, Quist's prestige was so high that his mere presence in the House ensured the suppression of the unruly and the preservation of decency and decorum. Quist is now in his sixties and may soon retire. It is possible that he might be, not the next, but the next but one to Sir Charles Arden-Clarke as Governor General.

Sir Charles Arden-Clarke

42. The part played by the Governor General of Ghana in effecting a smooth transition from colony to independent nation has already been mentioned (see para 3 above). The relationship between himself and Nkrumah has been firm and fruitful and both would probably acknowledge that they owe much to each other. At Nkrumah's request Sir Charles became the first Governor General; but at his own request this is to be for a period of a few months only. It is understood that his successor will be an Englishman for the first term but that his successor may in turn be a Ghanaian (para 41 above).

The Asantehene

43. Both the Asantehene's position and his attitude towards Ashanti are equivocal. He is the Paramount Chief of the Ashanti and therefore, through the strange mixture of heredity and election whereby the "stool" or symbol of chieftainship is transferred, is a strong paternalistic and feudal overlord of almost a million Ghanaians. Being a chief, he has kept in the background and his behaviour has been technically correct; but there is no doubt that he has looked with disfavour upon Nkrumah as an upstart and that he regards the pace of development as far too rapid. It was his influence in the Asanteman Council of chiefs which made it essential that the safeguards mentioned in paragraph 11 above should be inserted in the Constitution. The Chief Regional Officer for Kumasi, who has been his United Kingdom adviser, will presumably retire following Independence. It remains to be seen whether his other advisers, who include such mercurial and evasive personalities as Joe Appiah will be as responsible. It is here, rather than in the Northern Territories that both the opportunity and the need for statesmanship are greatest. The Asantehene is sixty-five; provided he were left with the symbols and trappings of power, he might be willing to compromise with Nkrumah.

Problems for the West

44. Politically the next six to eight months will be critical in Ghana. It is during this period that the separatist difficulties with the Ashanti and the Ewes must progress toward a solution and that the attitude of the government toward either a stern attack on economic tasks, or the pursuit of nationalist and Pan African will-o-the-wisps will become evident. On the whole, the experience of the Canadian party leads us to believe that the former course is the more likely (granted the personalities of Nkrumah and Gbedemah) provided that the West does not hold aloof in any spirit of implied censure. If this happened, the rewards would be reaped by irresponsible left-wing malcontents in Ghana and by the Soviets abroad. Further, the example which Ghana can give to other emergent African countries would be seriously impaired. As an index of increasing responsibility and also of the tremendous hold which Nkrumah has over the masses, one may note that the famous political slogan, *S.G. NOW*, which was chanted effectively throughout Ghana during the period 1951-56 has been given a new content. Nkrumah announced a few weeks ago that, as self-government was about to be achieved, *S.G. NOW* would henceforth mean not "self-government now" but "serve Ghana now". The new emotional content of the phrase has kindled great enthusiasm among the masses. If Nkrumah tells them to "serve Ghana now" and if, as a result of doing so they see tangible rewards, then the future of Ghana is unclouded.

A Canadian Policy Toward Ghana

45. It is suggested that Canadian interests might best be served by the following steps:

(1) The opening of a diplomatic mission in Ghana, under a High Commissioner, September 1957 would not be too soon.

(2) One of the main tasks of this mission would be to aid the flow of technical assistance from Canada to Ghana, principally in such fields as: civil service administration; social welfare work; economics; experts in external affairs and manpower selection; highway engineers; forestry experts. (These tentative suggestions are subject to confirmation or otherwise by Dr. Ault's report).

(3) Our technical assistance could continue to flow through UNTAB, but funds should be made available to have assistance also extended bilaterally.

(4) The possibility should be raised of a capital aid component within a technical assistance framework, such as the proposed school of tropical medicine, the need for which was outlined by Dr. Nkrumah in his address at the opening of the new national assembly of Ghana on March 6.

(5) Finally, if the World Bank report is favourable to the Volta River Project, we might give consideration to extending capital assistance to Ghana in respect of it.

G.C. MCINNES

SECTION E

ANTILLES
WEST INDIES

SUBDIVISION I/SUB-SECTION I

AIDE
AID

744. DEA/14020-W-1-1-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], March 12, 1957

ASSISTANCE TO THE FEDERATION OF THE WEST INDIES

You will recall that in June, 1956 you received an Aide Mémoire, under a personal letter from the U.K. High Commissioner, following up a conversation he had with you concerning economic assistance to the Federation. A copy of the Aide Mémoire is attached.†[85]

2. As a result of the U.K. approach it was agreed that a comprehensive study of Canada's relations with the West Indies should be undertaken. Senior representatives of all departments concerned have been meeting as the "Caribbean Group" and a good many papers have been produced by interested departments. The third and most recent meeting of the Group was held late in February. While no final recommendations have as yet been agreed for consideration by Cabinet, you will no doubt be interested to learn about the direction in which the Group is moving.

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[85] Dans un mémoire daté du 16 juillet 1956, dans lequel on faisait des observations sur l'aide-mémoire britannique et informait le ministre du début imminent des discussions interministérielles sur l'aide destinée aux Antilles, M. Pearson a écrit : « I hope this can be pressed forward... I am extremely interested in this idea and hope that something can be done ».

On a July 16, 1956 memorandum, which commented on the British aide mémoire and informed the minister that interdepartmental discussions on aid to the West Indies were about to begin, Pearson wrote: "I hope this can be pressed forward ... I am extremely interested in this idea and hope that something can be done."

3. *Capital aid.* There has been general agreement that a distinction should be made between Capital Aid and Technical Assistance. Finance and also Trade and Commerce have warned against embarking upon a Capital Aid programme which could easily become a bottomless commitment and which might imply willingness on our part to underwrite the Federation's economic viability on a continuing and long-term basis. It is pointed out that although the U.K. has stated that it would expect to carry the major burden, it is naturally anxious to promote the concept of "burden sharing". (Exact figures as to the size of the U.K. burden are not available but their capital and technical assistance, in the form of grants and loans, apparently exceeds £4 million annually, or £8 million if aid to British Guiana and British Honduras is added.)

4. The Group has considered that the special problems and circumstances which have justified capital expenditure in Asia under the Colombo Plan apply only to a very limited degree in the Caribbean. Moreover, were Canada to agree to a Caribbean Plan, we could well expect to receive requests from other areas of the world (and indeed from other countries in the Caribbean area itself) which have needs fully as urgent and claims quite as deserving. In any event we have been handicapped through lack of firm information about the capital assistance needs of the Federation and the sort of priorities which it would put on these needs: we have not been able to advance considered proposals for a capital assistance programme for the Federation.

5. As a consequence there is emerging a consensus that such Capital Aid as may be provided to the Federation should be in the form of a once-and-for-all project in which the extent of our commitment could be defined and limited in advance to the fullest extent possible. In line with this approach broad support has been given to the suggestion that we should provide one or two new, small (1500-1600 dwt. tons) cargo-passenger ships which would be built in Canadian yards, at a cost of approximately $2 1/2 million each. Such a project, it is thought, would be appropriate to the needs of the Federation, and for historical and other reasons could suitably be offered by Canada.

6. The Group, however, have not committed themselves to such a recommendation pending a study of probable operating costs for the ships. Some members have expressed the fear that even if such ships were presented as a gift, the Federation or its agents could not operate them other than at a loss and hence (a) the Federation's financial deficit, inevitably appreciable for several years since its revenues are to be strictly limited by the terms of the Constitution, would be further increased; (b) the U.K., with continuing financial responsibility for the Federation, might have to shoulder a still heavier burden; and (c) Canada might find that the extent of her commitment was not so definite as had been supposed and we might have to consider a request for operating subsidies for the ships.

7. The factual study of costs referred to above has been completed but has not yet been considered by the Group. The study estimates that each ship would operate at an annual loss of $175,000 to $250,000 depending on the extent and regularity of its services. Too little is as yet known about the likely size of the Federation's revenues to measure the significance of such deficits. It is clear, however, that the operating deficits would be burdensome, particularly since it is known that the Federation's revenues will not be high; we understand that the likely inadequacy of these revenues is giving some cause for concern about the Federation's future.

8. *Technical Assistance.* Canada already extends technical assistance to the British West Indies, but on a very limited scale. (The greater part of this aid is provided indirectly through our contribution to the U.N.) The Group would probably be disposed to increase the amount of our direct technical assistance and to arrange for some planning and organi-

zation of it. It is considered that technical assistance is peculiarly well adapted to the Federation's needs and that it could be offered on a continuing basis since it is not likely to involve an excessive expenditure of funds. Projects to which assistance could usefully be directed would be in the usual sort of fields: Agriculture, Fisheries, Marketing, Health and Sanitation, Higher education, Radio broadcasting and other forms of communication. The limit of such assistance is more likely to prove physical than financial, having in mind our Colombo Plan and U.N. commitments, the limited availability of our training facilities, and the scarcity of suitable experts in some fields. In any event, no cost figure can be put at this time on an expanded technical assistance programme by Canada.

9. *The "umbrella" for the extension of aid.* It has been apparent that the Group would wish to recommend aid on a bilateral basis rather than as suggested by the U.K. "in association" with them and perhaps other countries. The views of the majority of the Group concerning an implied commitment for long-term and probably substantial expenditures have already been mentioned. The further point has been made that if a Colombo type programme were adopted, Canadian aid would be overshadowed by the level of U.K. aid.

10. There has of course been no desire on the part of the Group to offer advice to the U.K. (in reply to their request) on the question of consultations with Commonwealth and other countries including the U.S.A. regarding an economic assistance programme for the Federation. We informed Earnescliffe informally last July, at the suggestion of the Group, that we saw no objection to such consultations taking place.

11. Although we understand that the U.K. has in fact not yet approached other countries, it is not unlikely that she may eventually do so. Should the replies be such that a joint programme is eventually established, it is probable that some forum would be developed, perhaps along the lines of the Consultative Committee of the Colombo Plan. We have pointed out to the Group that Canada would find it difficult to stand aloof from such a Group. And yet our only basis of participation would be an unspectacular programme of technical assistance (our once-and-for-all grant having already been made). The probability of such an organization being established, however, is not thought to be very great at least in the foreseeable future. We have as yet no indication of probable U.S. views about a Caribbean Plan. We understand that they have always been careful not to do anything which might be interpreted as interference in the U.K. colonies. The American programme in the Caribbean as a whole, largely technical assistance (the bulk in Haiti, Cuba and the Dominican Republic) was about $4 million in 1956.

12. The Caribbean Group will meet at an early date to formulate recommendations and to agree upon the nature of our reply to the U.K. approach. As things now stand it is probable that the Group will suggest extension of a once-and-for-all grant, perhaps of ships, on a strictly bilateral basis. (The constitutional aspect is being studied — it is not certain that we could deal directly with the "Federation"). I think, however, you will agree that it would be unnecessarily blunt to inform the U.K. that, while we are prepared to offer aid to the Federation, we would not wish to do so in association with them.[86] Perhaps it would be preferable to state that we would be happy to associate with them — and with such other countries as have expressed to the U.K. their willingness to contribute — in a limited programme of technical assistance. We would add that we were planning to extend capital assistance on a

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[86] Note marginale :/Marginal Note:
Yes [L.B. Pearson]

bilateral basis and would inform the U.K. of the sort of aid we are prepared to make available.[87]

13. Before discussing this sort of reply with the Group, we would wish to have your views on it and on the larger issues raised by the U.K. approach.

14. As you know, the Prime Minister last week answered a question from Mr. Balcom (Halifax) by saying that the "development of the Federation" was under study.[88]

J[ULES] L[ÉGER][89]

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745. DEA/14020-W-1-1-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], April 1, 1957

CANADIAN AID TO THE WEST INDIES FEDERATION

In my memorandum of March 12 last I reported on the inter-departmental discussions which had been held on this question. You concurred in the view that something more was needed by way of aid to the Federation than a once-for-all gift (possibly of ships) and the continuation of technical assistance (which has been small and *ad hoc*).

2. We have been thinking about the matter further, and, in the light of the discussion which took place at and in connection with the Bermuda Conference, I submit the following proposals. We have not considered in the memorandum the larger question of the expansion of the membership of the Colombo Plan or of assistance to the new Commonwealth and other nations; the question of aid to the West Indies Federation is more immediate and, of course, a reply has to be made to the United Kingdom note of last June.

3. It may be assumed that with the setting up of the Federation, and the lessening of United Kingdom participation in the affairs of the federating colonies as they move closer to full independence, it is desirable that Canada play a somewhat larger role in that area. There are commercial ties between the BWI and Canada, particularly the Maritime Provinces, of long standing and continuing importance. These commercial ties, coupled with tourism, have resulted in many close personal contacts by Canadians with West Indian affairs, probably closer than with any other Commonwealth territory aside from the United

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[87] Note marginale :/Marginal Note:
Yes [L.B. Pearson]

[88] Voir, Canada, Chambre des Communes, *Débats*, 1957, volume II, p. 2013.
See Canada, House of Commons, *Debates*, 1957, Volume II, pp. 1930-1931.

[89] M. Léger a ajouté le paragraphe suivant à la main :/Léger added the following paragraph by hand:
I am not too happy about this. I agree that we haven't got sufficient elements to come to a firm recommendation but I am afraid that we may be forgetting some of the wider political implications connected with the future of the Federation both within & without the Commonwealth. In due course, U.K. influence is bound to disappear; is it in our interests that it be replaced more or less *in toto* by the U.S.?

Pearson répondit./Pearson responded:
I agree entirely with your preoccupations. My feeling is that we may have to accept some special responsibilities — which might also be opportunities — in the West Indies. The alternative is, of course, the "Yankee dollar" without any political brakes this time.

Kingdom. No doubt this, in part, has occasioned the approach to Canada by the United Kingdom as well as the more informal approach by some of the political leaders of the Federation.

4. Thus, we have been asked by the United Kingdom if we are willing to "associate" ourselves with them in extending aid to the Federation. We have also been asked by the United Kingdom if Canada could join with other Commonwealth countries, and possibly with the United States and other countries in a "joint programme" of economic assistance. It can be assumed that BWI and the United Kingdom have real hopes of help from Canada.

5. Canada, of course, shares the concern of the United Kingdom — as does the United States, no doubt — that, as the West Indies moves toward independence it should develop strong free institutions and a democratic way of life. The vast distances which separate the various units of the Federation, the uncertain strength of the Federal Government, the significant differences in income between the various Units, are only the most important of the difficulties which will face the Federation. But the democratic development of the Federation, while not assured, may at least be assisted if the older Commonwealth countries, and perhaps the United States, show an active and friendly interest in West Indian problems and help them find solutions to their more pressing economic needs.

6. Further, it would seem undesirable from Canada's point of view, if the vacuum caused by the decline of the United Kingdom influence and participation in the affairs of the area should be filled by the United States alone. For this reason, if for no other, Canada should be prepared to undertake some of the tasks which until now have been carried out by the United Kingdom.

7. In summary, it may be said that Canada has a real interest in fulfilling the hopes of the BWI and the United Kingdom — the importance of our commercial relations, which we hope to improve, our concern that the Federation develop free institutions, and our concern with the continued strength of the Commonwealth — all these reasons argue that we should not disappoint these hopes.[90] Indeed, if some form of aid is not forthcoming from Canada, we will give the impression that we are indifferent to the relationship of the West Indies — and other potential new members — to the Commonwealth.

8. West Indies officials have made it clear that, on their side, they must have economic and technical help from other countries. If the Federation is to be a success, they must exploit their resources more fully, and they must raise the level of technical skills. While, as compared with the Colombo Plan countries, standards of living in some of the wealthier islands appear high, there are some islands in the Federation which would certainly be classed as depressed; generally incomes per capita are substantially lower in the Federation than in the more developed countries of the Commonwealth. There is, of course, a significant flow of private investment from Canada and the United States to the Caribbean — rather more, as far as Canada is concerned, than to the Colombo Plan countries. Though in terms of human needs the West Indies are less worthy of economic aid than some parts of South Asia, yet there is no doubt that the economic and technical needs of the West Indies are real and pressing. Without outside help the economic progress of the islands and the economic and political development of the Federation will be slow. (Annex I sets out a record of conversations between Canadian officials and two Ministers from St. Kitts and Nevis; it gives an indication of the sort of needs (and requests) for help which are likely to be encountered in the Islands.)

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[90] Note marginale :/Marginal Note:
I agree L.B. P[earson]

9. If it is agreed that the needs of the Islands for transport, social welfare facilities, communications, and technical training are real, and that Canada has an interest in giving some help to meeting these needs, it may be useful to review the possible methods or techniques of making a Canadian contribution, and the nature of such assistance.

10. First, as to methods:

(a) One could conceive of Canada undertaking to give a direct annual grant to the budget of Federation.[91] This is the technique which the United Kingdom uses for the bulk of its aid. From the Canadian view, it is obviously inappropriate. For one thing, it has an unpleasantly "colonial" flavour — we would not wish to adopt the West Indies as a dependency or pensioner. Second, it would be most difficult, if not impossible, for Canada to exercise the kind or degree of control over the spending of such funds that seems to be required and this would involve a radical departure from established Canadian financial principles and practices. Finally, such a grant would hardly serve the broad Canadian (and West Indian) interests set out above, for this form of aid would not lead us to a more active role in the area; there would be little to show for our effort except a figure in the annual budget.

(b) An alternative method would be a regular contribution to a *joint* development fund, in association with the West Indies, the United Kingdom, and possibly other countries.[92] The main objections to this form of aid, from a Canadian point of view is that, like a grant to the annual budget, it does not provide for effective Canadian control over funds voted by the Canadian Parliament. Nor would such a fund ensure that aid provided by Canada would maintain its Canadian identity.

11. If these two methods, or something along these lines, are obviously unsatisfactory, there remains aid of a more bilateral character. The forms or nature of aid extended on an essentially bilateral basis are examined below.

12. Experience with aid programmes indicates that they can be conceived of in broad terms as "technical" aid and "capital" aid.

13. Technical assistance, in the form in which it is now carried on under the Colombo Plan, contains four elements:

(a) The provision of the services of experts;

(b) Training in Canada for students, technical and administrative personnel;

(c) The provision of training equipment needed to make full use of the experts being provided; and

(d) The provision of buildings and the equipping of schools, etc., which our experts feel are necessary and which provide the expanded facilities for long-term programmes of technical education and economic development.

14. For purely administrative reasons, we generally think of aid under (d) above as coming from capital aid funds. Our experience has shown that our practice of buttressing our largely "technical" (training) assistance programme with related capital aid has made the former a good deal more successful. Officials of the BWI have already indicated that they need this broader type of technical help from Canada — they need advice in the development and use of their resources, in marketing techniques, in public administration, the organization of public health and welfare schemes and the provision of educational facili-

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[91] Note marginale :/Marginal Note:
No [L.B. Pearson]

[92] Note marginale :/Marginal Note:
No [L.B. Pearson]

ties of all kinds at all levels. Their needs seem genuine and urgent, particularly in the poorer islands, which are chronically depressed and whose dissatisfactions will impose a severe strain on the Federation.

15. While considerable study on the spot would be required to get an accurate idea of the scope for such a programme, and of the costs involved, it can be estimated that the sums which could usefully be spent would rise from around $100,000 a year at the beginning to say $1 million when the programme was in full operation, and might then start to taper off before the end of a period of perhaps ten years. A balanced programme could be developed within whatever sums are authorized, but the above figures are suggested as being in line with the amount which could be used and would be within Canada's capacity to provide. It should be mentioned that to the extent that local currency expenditure by Canada is required, there might be some scope for the provision of Canadian commodities to be sold in the islands, to provide counterpart funds. (In Ceylon, Canada is financing the building of a technical institute and laboratories through the provision of flour.)

16. A question which may be raised about such a technical assistance programme is, will Canada be able to supply the necessary experts? Although difficulties are being experienced in recruiting suitable people for Colombo Plan assignments, it is likely that there are many experts who are unwilling to go to Asia but would be quite willing to go to the West Indies; a Caribbean programme would tap a supply of experts not available for the Colombo Plan. Further, some experts, who have gained experience under the Colombo Plan but who would not return to Asia, might be willing to do a second term abroad if they were offered posts in the West Indies. Second, the cost per expert or per trainee of the Caribbean programme would be less than under the Colombo Plan: transport costs to the Caribbean, which are a considerable element of total costs under the Colombo Plan, particularly when families accompany experts, would be about one-sixth of transport costs to Asia. As far as administration in Canada is concerned, the existing facilities of the Technical Co-operation Service for both experts and trainees would be available.

17. A fundamentally bilateral programme could emphasize capital aid on a continuing basis rather than technical aid. A continuing capital programme could no doubt be carried on in the fashion of our Colombo Plan capital aid scheme — this involves Canada choosing particular projects to aid and maintaining operating control over purchasing and personnel. Compared with the Colombo Plan countries, however, the need for substantial capital aid in the West Indies is not great. A continuing capital programme, moreover, would probably require larger sums than Canada would be prepared to make available. The poorer islands could absorb substantial sums, and, given the problem of avoiding inter-island jealousies and the need to make Canadian aid evident and widely dispersed, a programme involving upwards of $2 million annually would seem to be indicated. This seems difficult to justify in terms of needs and commitments elsewhere and in view of the fact that there is already a sizeable flow of Canadian private investment to the area. Private capital may be expected to provide much of the industrial development in this area which in South Asia must be provided by Governments. These privately financed industrial developments should, in turn, provide revenues for the expansion of basic services, albeit at a slower rate than if substantial funds could be made available by Governments now. In summary, it seems doubtful that a continuing capital aid programme in the West Indies is justified, or feasible, unless Canada was prepared to spend substantial amounts.

18. An alternative form of bilateral *capital* aid would be to undertake a substantial once-for-all project. The main attraction of this form of aid is that it appears to involve only a firm and limited commitment. The second attraction is that one particular capital project would meet a real economic and political need of the West Indies — namely, the provision

of a ship or two to meet the necessity for an inter-island shipping service. Aid to shipping would be in keeping with Canada's traditional ties with the West Indies, which were based on Canadian east-coast shipping and trade, as reflected in our pre-war trade agreement with the BWI. Perhaps more important, ships would make a real contribution to the strength of the Federation, in that it would help tie the scattered islands together. Further, the contracts for the proposed ships would be welcomed by Canadian east-coast shipyards. It has been suggested that two ships of 1,500 tons each be provided, costing $2 1/2 million each. These would be able to provide an inter-island service of the desired frequency. Unfortunately, they would operate at a deficit of about $300,000 to $500,000 per annum, (depending on the number and frequency of ports of call) about one-tenth, we guess, of the Federation's budget. The ability of the West Indies to meet this deficit needs to be investigated. Further investigation would also be required of the need for two ships and the proposed frequency of service, bearing in mind the growth of air travel facilities within the area. Possibly one ship, which would involve a deficit of the order of $150,000-$250,000 per year, would be sufficient to meet the West Indies' most important requirements and would not impose too heavy a burden on current revenues.

19. In any event, it would not be wise to assume that the gift of one or two ships — large as the gift will be — will ensure that we will not be asked for other types of aid. Although these requests might be held off for some indefinite period of time, they could not be ignored for long. The West Indies needs are real, and their financial resources inadequate. They will appreciate how real our interest is in the success of the Federation: like Oliver Twist, they will ask for more. It is worth considering then if we would not be wise to plan now for a limited amount of money spent on a broadly-based technical assistance programme as suggested above.

20. If, for purposes of discussion, it was decided that Canada would make available $10 million over the next ten years, expenditures might take the following pattern:

Year	One Ship	Technical Assistance
1	$2,500,000	$ 100,000
2		300,000
3		500,000
4		800,000
5		1,000,000
6		2,000,000
7		1,200,000
8		1,000,000
9		400,000
10		200,000
	$2,500,000	$7,500,000

TOTAL: $10,000,000

Alternatively, a gift of two ships, costing $5,000,000, would enable the technical assistance programme to rise to around $750,000 at maximum, but this would not enable any significant Canadian contribution to building costs etc., and to projects of any great size.

21. If these ideas carry your judgment we shall try to obtain the concurrence of other departments concerned.[93] You may also wish to discuss these proposals with your col-

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[93] Note marginale :/Marginal Note:
Yes [L.B. Pearson]

leagues. The plan would be to reach agreement inter-departmentally on a memorandum to Cabinet recommending that officials be authorized to explore these matters with BWI officials in due course, and to reply to the United Kingdom note. In the reply to the United Kingdom note we might suggest that we would be prepared to carry out our technical assistance programme under the general guidance of a Canada-United Kingdom-BWI Board. This would enable us to give a more positive reply to the United Kingdom note which emphasizes their interest in Canadian participation in a "joint programme". (Some thoughts on how such a Board might operate are set out in Annex II.) Matters have progressed to the stage that, if Canadian officials are to enter into discussion with BWI officials, they should be empowered to say that the Canadian Government is prepared to ask Parliament at the next session to make funds available for a ship or ships and for the initial expenditures of a continuing technical assistance programme.[94]

J. L[ÉGER]

[PIÈCE JOINTE 1/ENCLOSURE 1]

Annexe I

Annex I

INTER-DEPARTMENTAL MEETING WITH MESSRS. BRADSHAW AND SOUTHWELL, MINISTERS FROM THE ISLANDS OF ST. KITTS, NEVIS, AND ANGUILLA

Present:

In addition to Messrs. Bradshaw and Southwell there were:
L.E. Couillard (Chairman)
Mr. Plumptre and Mr. Pollock, Department of Finance
Mr. Swartzmann, Mr. Parlour and Mr. Nixon,
  Department of Trade and Commerce
Mr. Baskerville, Department of Immigration
Messrs. MacInnes, Malone, Grey and MacLean
  of the Department of External Affairs

After welcoming Mr. Bradshaw and Mr. Southwell to Ottawa and discussing briefly the background of their visit, the Chairman invited the Ministers to address the group.

Mr. Bradshaw referred to the past Canadian interest in the British Caribbean Colonies and stated his hope that this interest was to continue, and indeed to increase as the colonies developed politically. He noted that the economies of the British Caribbean colonies were by no means strong or diversified; economics, he feared, may prove the weak spot of the proposed West Indian Federation. While the economies of Trinidad and Jamaica were considerably stronger than those of the other islands, taken as a whole he felt the Federation had "nothing to brag about". There was, Mr. Bradshaw suggested, a general appreciation of these difficulties and a realization that the Federation, if it was to survive, would require scientific and other advice. It was hoped that some of this assistance would be provided by Canada.

Mr. Bradshaw described some of the educational difficulties confronting St. Kitts (and the neighbouring islands of Nevis and Anguilla) and of the particular fields in which Technical Assistance would be most valuable. Experts were required in the fields of agricultural development, government finance, and fisheries. There was also a need for secondary school teachers.

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[94] Note marginale :/Marginal Note:
I am in agreement with the thesis of this very clear memorandum. L.B. P[earson]

Mr. Bradshaw also described the proposed capital projects for the three islands; all of these projects, it was emphasized, were urgently required and there was little or no possibility of interesting private investors in undertaking them. Projects for which it was hoped Commonwealth Development or other funds would be available included:

(1) Lengthening of the existing airport runway to "Viscount" standards, and the improvement of other airport facilities. (It was hoped that when these improvements were completed T.C.A. could be persuaded to use St. Kitts as a flag stop.) Estimated cost, $1,400,000.

(2) Construction of a customs, post office and internal revenue building in order to cope with greatly increased business.

(3) Installation of additional electric generating capacity in order to improve commercial opportunities (the construction of a cold storage plant was cited as an example). Estimated cost $510,000.

(4) Replacement of the present obsolete telephone system by an automatic system. Estimated cost $500,000.

(5) Pasture and crop improvement for the island of Nevis, where productivity was much lower than in St. Kitts. Estimated cost $200,000.

Mr. Bradshaw pointed out that there was an additional capital project which was urgently required: the construction of a modern hospital as a replacement for the ancient, wooden structure now in use. It was hoped that $1,000,000 of the required $2 1/2 million could be borrowed at a low interest rate from the sugar industry's price stabilization fund. Mr. Bradshaw expressed the hope that Canada might provide the additional funds required.

In conclusion Mr. Bradshaw mentioned his hope that the Canadian National Steamship Company could arrange to have their ship, the *West Indian*, make a monthly call at Nevis.

The Chairman thanked the Ministers for their frank statement of the Federation's needs and problems, and both he and Mr. Plumptre emphasized that Canada would continue to be interested in the development of St. Kitts and her neighbours. A specific request for economic assistance would be carefully considered though they thought it only right to warn Mr. Bradshaw and his colleague that it was unlikely that either the request for a C.N.R. steamship call at Nevis or a capital grant towards the construction of a hospital could be met. It was stated that many of the present island calls of the C.N.R. ship could be made only at a loss, but that the losses resulting from a monthly call at Nevis would be still greater. Furthermore, the Ministers were informed that, while our current study of possible assistance to the West Indies Federation was not yet complete, it was very likely that we would wish to channel any available aid through the Federal Administration, where the need for support and assistance was thought to be most urgent.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Annexe II

Annex II

NOTE ON A CANADA/UNITED KINGDOM/BWI TECHNICAL ASSISTANCE BOARD

While the Technical Co-operation Service in the Department of Trade and Commerce is available for the administration in Canada of a BWI technical assistance scheme, it would be desirable to examine devising some technique of administration in the BWI other than relying on our diplomatic or trade missions.

It is suggested that a United Kingdom/Canada/BWI Board be set up, possibly including a United Nations representative, and a United States representative, if the United States proposes to give aid to the Federation and if it was prepared to submit its technical aid programme to the direction of such a Board. The Board might consist of part time national representatives; it would meet infrequently to give general guidance, to assign broad priorities, to formally confirm applications for training scholarships, etc. The day-to-day administration of the programme would be in the hands of a small permanent professional staff. There seems to be no reason why, under such a system, Canada could not maintain an adequate degree of control over the use of Canadian experts, the allocation of training places in Canada, and the expenditure of Canadian funds. Canada would have appropriate representation on such a Board, and the Technical Co-operation Service would retain significant control over the Canadian contribution.

The reasons for using a Board as outlined above may be summarised as follows:

(1) The administration of technical assistance programmes is now becoming professionalized; use should be made of such professional skills by having a permanent staff.

(2) Diplomatic and trade missions are ill equipped to administer these programmes; they tend to interfere with the proper work of such missions.

(3) It would be desirable to set up a device which would provide a form and a forum for co-operation between the United Kingdom, Canada, and the BWI, and particularly, between the United States and the other interested countries rather than letting all programmes develop independently. The need for co-ordination is real.

(4) It would enable us to give a fairly positive reply to the United Kingdom, which, presumably is anxious to have Canada "associate" with the United Kingdom in the Caribbean.

746. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], April 11, 1957

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Health and Welfare
 and Acting Secretary of State for External Affairs (Mr. Martin),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Minister of Justice (Mr. Garson),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretaries to the Cabinet (Mr. Pelletier, Mr. Martin).

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BRITISH WEST INDIES FEDERATION; CANADIAN ASSISTANCE

21. *Mr. Martin, as Acting Secretary of State for External Affairs* submitted a memorandum from Mr. Pearson which said that, with the establishment of the new British West Indies Federation and the lessening of United Kingdom participation in the affairs of the federating colonies, it would be desirable for Canada to play a larger role in the area. The U.K. had asked if the Canadian government would be willing to be associated with them in extending aid to the new federation and, in addition, informal approaches had been made by a number of the political leaders of the proposed federation. It was naturally desirable that the federation develop strong free institutions and a democratic way of life, and this could be assisted if the older Commonwealth countries, and perhaps the United States, helped the federation find solutions to their more pressing economic needs. In addition, it was undesirable, from Canada's point of view, for the vacuum caused by the decline in U.K. influence to be filled by the U.S. alone.

Compared with the Colombo Plan countries, standards of living in parts of the West Indies appeared high. Nevertheless, there was no doubt that the capital and technical needs of the federation as a whole were real. Aid could take the form of a direct grants to the budget of the federation, or, alternatively, be provided through a regular contribution to a joint development fund. However, both these methods would appear to be inappropriate for a number of reasons, including the lack of effective control over the funds voted, and the absence of identification of the aid as Canadian. It would appear preferable that any programme should consist of "technical" and "capital" assistance. Technical assistance might be provided in a manner similar to that under the Colombo Plan. As regards capital, it could be expected that considerable amounts would be provided through private investment. However, a substantial outright grant on the occasion of federation might be desirable. A particularly useful field in which this could be used was shipping. A gift of $2.5 million would suffice to provide the right type of ship to help improve the inter-island transportation service and make a real contribution to strengthening the federation as such. However, operating deficits would be a problem and would necessitate subsidies. Another problem was the high cost of supplying a ship from Canadian yards.

The Canada-West Indian Trade Agreement would have to be re-negotiated, but this would take some time and it would be undesirable to delay consideration of an aid programme until it could be appraised within the context of a new agreement.

Mr. Pearson recommended in the memorandum:

(a) that certain decisions in principle be made for the provision of aid during the five-year provisional period of the federation's constitution;

(b) that officials undertake discussions with representatives of the federating colonies, with a view to formulating specific proposals for consideration of the Cabinet and in these discussions certain specified considerations should be kept in mind; and,

(c) that the U.K. be advised that the government would be glad to exchange information on the question of providing aid to the federation.

The memorandum had been circulated.

(Memorandum, Secretary of State for External Affairs, April 10, 1957 — Cab. Doc. 82-57†)

22. *During the discussion* the following points emerged:

(a) From the trade point of view, it was highly desirable to assist the new federation.

(b) The possibility of providing a direct subsidy should not be ruled out. It was important to Canada that the federation should hold together and succeed as such, but it would be in some danger of bankruptcy and might need financial aid to get established. Moreover, we should treat these people as our equals who could decide on matters for themselves.

(c) The Colombo Plan approach was strictly a one-sided programme of help and was perhaps not suitable for the West Indian problem. If there were a new trade agreement, it would be easier to justify subsidizing the federation because this would strengthen it, which would be in Canada's best long-term interests. It was argued, on the other hand, that direct bilateral assistance, as provided by the U.S. for many countries, was resented and would not be apt to be appreciated in the West Indies. It had been pointed out to the U.K. Prime Minister at Bermuda last month that Canada's primary interest in the Caribbean was trade, and assistance to the area could best be justified as an investment in future trade.

(d) The West Indies resented the present Canadian immigration arrangements and would welcome a quota agreement similar to those with India, Pakistan, and Ceylon. The Minister of Citizenship and Immigration indicated this would be proposed once the federation was formed. It was not in our interest or to the advantage of the West Indies to encourage large scale immigration to Canada. On the other hand, Canada should do everything possible to encourage trade, particularly the export of fish.

(e) It would be desirable to encourage the new federation to come within the Canadian monetary system.

(f) It was desirable not to take definite decisions at this time but to authorize discussions to proceed. There would be great dangers in paying fiscal subsidies to the new federation, which should be carefully considered. It would also be desirable to defer discussion of the nature and scale of assistance until Mr. Winters as well as Mr. Pickersgill could be present.

23. *The Cabinet* noted the memorandum of the Secretary of State for External Affairs on proposals to assist the economic development of the new British West Indian Federation, and agreed that the officials concerned be authorized to discuss the subject with representatives of the federating colonies and explore what forms of aid would be most suitable, on the understanding that such discussions would imply that Canada was prepared, in principle, to consider giving aid to the federation.

SUBDIVISION II/SUB-SECTION II

SERVICE DE LA SOCIÉTÉ CANADIAN NATIONAL (WEST INDIES) STEAMSHIPS
CANADIAN NATIONAL (WEST INDIES) STEAMSHIP SERVICE

747. PCO

Note du ministre des Transports pour le Cabinet

Memorandum from Minister of Transport to Cabinet

CABINET DOCUMENT NO. 58-56 [Ottawa], March 6, 1956

CONFIDENTIAL

CANADIAN NATIONAL (WEST INDIES) STEAMSHIPS, LIMITED.

On March 30th, 1954, the Minister of Transport informed the Sessional Committee on Railways and Shipping that if the operation of Canadian National (West Indies) Steamships, Limited continued to result in serious deficits consideration would have to be given to abandonment of the service.

Subsequently, on January 4th, 1955, the Chairman and President of Canadian National Railways wrote to the Minister of Transport to the effect that the steamship company could be liquidated without the introduction of new capital provided that the depreciated value of the ships could be realized. Mr. Gordon contended that if the government wished the service to be continued, the vessels should be transferred to the Crown and operated by the steamship company on an agency basis.

At the request of the Minister of Transport, the continued operation of the steamship service was considered by the Interdepartmental Committee on External Trade Policy which recommended that a sub-committee consisting of officials of the Department of Trade and Commerce, External Affairs, Finance and Transport and the Canadian Maritime Commission be formed to devote further study to, and report their conclusions on, the future of Canadian National (West Indies) Steamships, Limited.

The sub-committee's report, in which the Departments concerned concur, notes that:

(1) In the thirty-five years prior to the inauguration of the Canadian National service in 1929, the Canadian Government spent nearly $6 million dollars in subsidizing shipping services to the British West Indies.

(2) During the 26 year period ending 1955, the cumulative deficit from the operation of the service by Canadian National was approximately $3.3 million.

(3) Dependable scheduled shipping is vital to Canadian trade with the British West Indies.

(4) A gradual increase in trade with the British West Indies coincident with population growth and industrial development may be foreseen.

(5) The Canadian National can retain and perhaps increase its share in the carriage of the trade.

(6) The Canadian National is succeeding in efforts to reduce operating costs and to develop new sources of revenue.

(7) Annual losses should be no higher than $200,000 over the next five years.

The report recommends that Canadian National (West Indies) Steamships be permitted to carry on its operations on the present scale and with the present fleet for a period of at least five years, and, in view of the relatively small operating losses anticipated for this period, recommends against the proposed transfer of the fleet to the Crown for operation by the steamship company on an agency basis.

The Minister of Transport, therefore, recommends that Canadian National (West Indies) Steamships, Limited continue in operation with its present fleet for a period of at least five years from 31st December 1955, such deficits as may occur from the operation to become a direct obligation of the Government, provided that the question of the operation of the service after December 31st, 1960 shall be subject to review; and, further, that the Government reject the proposal for the transfer of the vessels to the Crown for operation by Canadian National (West Indies) Steamships, Limited under an agency agreement.

[G.C. MARLER]

748. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET [Ottawa], March 8, 1956

Present:

The Prime Minister (Mr. St-Laurent) in the Chair,
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe),
The Minister of Agriculture (Mr. Gardiner),
The Minister of National Revenue (Dr. McCann),
The Minister of Labour (Mr. Gregg),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Public Works (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General (Mr. Lapointe),
The Minister of Finance (Mr. Harris),
The Minister of Mines and Technical Surveys (Mr. Prudham),
The Minister of Fisheries (Mr. Sinclair),
The Minister of National Defence (Mr. Campney),
The Leader of the Government in the Senate and Solicitor General (Senator Macdonald),
The Minister of Citizenship and Immigration (Mr. Pickersgill),
The Minister of Northern Affairs and National Resources (Mr. Lesage),
The Minister of Transport (Mr. Marler),
The Secretary of State (Mr. Pinard).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Martin),
The Economic Adviser, Privy Council Office (Mr. Lamontagne).

. . .

CANADIAN NATIONAL (WEST INDIES) STEAMSHIP SERVICE; CONTINUANCE OF OPERATION

40. *The Minister of Transport* said the question had been raised as to whether or not the operations of Canadian National (West Indies) Steamships, Limited should be continued in spite of the repeated deficits incurred on this service. The President of the Canadian National Railways had proposed that, if the government wished the service to be continued, the vessels be transferred to the Crown and operated by the company on an agency basis.

The question had been considered by a sub-committee of the Interdepartmental Committee on External Trade Policy, which had recommended against the proposed transfer and had proposed that the present service be continued for a period of at least five years.

The Minister recommended the approval of the conclusions reached by the sub-committee.

An explanatory memorandum had been circulated.

(Minister's memorandum, March 6, 1956 — Cab. Doc. 58-56).

41. *During the course of the discussion* the following points emerged:

(a) A gradual increase in trade with the British West Indies could be expected as a result of population growth and industrial development, as well as the relaxation of restrictions on dollar imports.

(b) Dependable scheduled shipping was vital to Canadian trade with the British West Indies.

(c) A new and more dynamic management of the company was reducing operating costs and developing new sources of revenue.

(d) Annual deficits were getting smaller and should not exceed $200,000 over the next five years.

(e) Announcement of the decision should be made by the Minister of Transport to the House of Commons Committee on Railways and Shipping.

42. *The Cabinet* noted the report of the Minister of Transport on the operations of Canadian National (West Indies) Steamships, Limited, and agreed,

(a) that the proposal for transfer of the vessels to the Crown for operation by Canadian National (West Indies) Steamships, Limited, under an agency basis be rejected;

(b) that Canadian National (West Indies) Steamships, Limited, continue in operation with its present fleet for a period of at least five years from December 31st, 1955, and that such deficits as might occur from the operation be met from parliamentary appropriations; and,

(c) that an announcement of the decision be made by the Minister of Transport to the House of Commons Committee on Railways and Shipping.

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SUBDIVISION III/SUB-SECTION III

IMMIGRATION

749. DEA/14020-W-1-1-40

Note

Memorandum

CONFIDENTIAL [Ottawa], February 18, 1957

THE CANADIAN IMMIGRATION POLICY TOWARDS THE WEST INDIES

1. Until June 1955 prospective immigrants from the West Indies could come to Canada provided:

(a) they had already secured employment here beforehand;

(b) they were sponsored by a close relative already in Canada;

(c) they were considered to be "exceptional merit" cases.

Attached is a table† showing, by ethnic origin, the number of immigrants from the West Indies for the years 1938-1955 inclusive. It would appear that during this period a total of 6,971 were admitted as immigrants through the above-mentioned criteria. The ethnic origin of these persons was as follows:

4,275	British
1,239	African
1,221	European
184	Semitic
30	East Indian
13	Chinese
3	North American Indian
6	Unknown Extraction
6,971	

No statistical records are maintained of persons departing from Canada, and we cannot ascertain, therefore, how many West Indians have left this country after having been landed as immigrants.

2. As can be seen from the above breakdown and from the table, immigration from the West Indies is overwhelmingly white, and this white exodus from the West Indies has been particularly heavy since 1946-47. This fact would tend to corroborate reports that since practical steps were taken at the Montego Bay Conference of 1947 to implement the proposal of federation, the white population in the smaller islands of the West Indies, and especially in the so-called "plantation" islands, has been gradually falling off. Through sheer weight of numbers, the Negroes are naturally bound to keep control of the leadership of the larger political entity now coming into being.

3. Regulations concerning the admission to Canada of coloured, or partly coloured, persons have been slightly relaxed in recent years, which accounts for the increase in Negro entries since 1950 (see table). For instance, some of the Canadian nursing associations have signified their willingness to grant registration to qualified nurses from the West Indies, and many of our hospitals are now accepting student nurses from that area. When there is reasonable evidence that their services are acceptable in Canada, entry is authorized of the qualified nurses for permanent landing, and of the student nurses with the prospect of permanent landing if they should desire to remain after the completion of their training.

4. But the most noteworthy alteration concerning coloured immigration from the West Indies, has been the decision made by Cabinet on June 8, 1955 to admit, on an experimental basis, 100 domestics during that year.[95] Seventy-five were to be selected from Jamaica and 25 from Barbados. These domestics were to be admitted as immigrants and required to sign an undertaking to remain at domestic work for at least one year. Selection was to be confined to single women in the age group 21 – 35 years. This scheme met with such success that on March 29, 1956, Cabinet approved a recommendation that it be extended for one year and that the number of West Indians admissible as domestics be increased to 200, to be selected as follows: 100 from Jamaica, 40 from Barbados, 30 from Trinidad and 30 from British Guiana. While these persons are living up to their agreement to engage in domestic work for at least one year after arrival, many of them are said to be of a superior type with other qualifications and are expected eventually to establish themselves in other occupations. Persons who have entered Canada under this new arrangement will, of course, after a certain lapse of time, be allowed to sponsor their close relatives as immigrants to Canada. Although no discussions have been held concerning further continuation or extension of the scheme, the probabilities are that it will be retained for at least another year, although whether the number of admissible persons will be increased or the areas from which they are now selected added to, is not known.[96]

5. Over 1,000 West Indians were landed as immigrants during 1956, more than during any one year since 1938. Although this figure has not yet been compiled by ethnic origin, the liberalization, as outlined in the foregoing paragraphs, of the regulations concerning the entry of coloured people, is believed to be largely responsible for this increase.

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[95] Voir/See Volume 21, Document 299.

[96] Le 14 mars 1957, les membres du Cabinet ont convenu d'élargir la politique pour permettre à 230 autres travailleurs domestiques antillais d'immigrer au Canada en 1957.
On 14 March 1957, Cabinet agreed to extend the scheme to allow an additional 230 domestic servants from the West Indies to immigrate to Canada in 1957.

Whether this liberalization will continue would, however, seem to be doubtful. The Department of Citizenship and Immigration has this to say:

"It has been the long standing policy of this Department to restrict the admission to Canada of coloured or partly coloured persons. As you no doubt are aware, the Canadian public, apart from certain minority groups, is not favourably disposed towards any significant increase in the coloured population. This is partly due to the fact that Canadians are not accustomed to seeing coloured people occupying positions which would place them on a social and economic level with their white neighbours. ... It is fully appreciated that the various West Indian Governments would welcome any change in our immigration policy which would ease restrictions on the admission to Canada of citizens of West Indian countries. However, our immigration policy is based on the principle that Canada desires to foster the growth of the population by the encouragement of immigration through legislation and vigorous administration to ensure the careful selection and permanent settlement of such numbers of immigrants as can be advantageously absorbed into the national economy. On the other hand, immigration must not have the effect of altering the fundamental character of the population and Canada is perfectly within her rights in selecting persons whom we regard as desirable future citizens".

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IFC: *see under* International Finance Corporation

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IMF: *see* International Monetary Fund

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